

DAILY REPORT

CONTENTS

Asia & Pacific

Vol IV No 233

4 December 1985

INTERNATIONAL AFFAIRS

ASEAN Members Agree To Hold Summit [AFP]	A 1
ADB Announces PRC Membership Application [AFP]	A 1

JAPAN

USSR Calls Territorial Claim Unrealistic	C 1
Abe, Shevardnadze To Discuss Korean Peninsula	C 1
Nakasone Meets PRC's Communications Minister	C 1
MITI Reacts With Mixed Feelings To Leather Dispute	C 2
Komeito's Takeiri Indicates Cooperation With LDP	C 2
Central Bank Rules Out Discount Rate Cut	C 3

NORTH KOREA

North-South Red Cross Talks in Seoul Conclude	D 1
NODONG SINMUN Comments [3 Dec]	D 2
South War Exercise 'Runs Counter to Dialogue'	D 3
[NODONG SINMUN 1 Dec]	
KCNA Assails South's Budget for 'War,' 'Plunder'	D 5
NODONG SINMUN on South Forum on Unified Culture [27 Nov]	D 5
Treaty Sets Water, Shelf Boundaries With USSR	D 6
NODONG SINMUN on Results of Soviet-U.S. Summit [30 Nov]	D 7
Peasants Friendship Group With Japan Meets	D 8
Chongnyon Vice Chairman Visits for N-S Talks	D 8
Hwang Chang-yop Meets PRAVDA Delegation	D 8
Kang Song-san Confers With Soviet Ambassador	D 9
Pak Song-chol, Delegation Visit Indonesia	D 9
More Than 30 Minor Power Stations Built in 1985	D 9

SOUTH KOREA

Further Reportage on N-S Red Cross Talks	E 1
South Chief Delegate Speaks	E 1
[THE KOREA HERALD 4 Dec]	
North Chief Delegate Speaks	E 2
[THE KOREA HERALD 4 Dec]	
Next Round 26-27 February	E 4
Kim Tae-chung 'Virtually' Under House Arrest	E 4
[TONG-A ILBO 4 Dec]	
Dissident With Health Problems Released	E 4
[THE KOREA HERALD 30 Nov]	
Correction to North Red Cross Group in Seoul	E 4

CAMBODIA

Leaders Greet Lao Counterparts on National Day	H 1
Press 'Warmly Welcomes' Lao National Day	H 1
Heng Samrin-led Delegation Returns Home	H 3
VOK: Son Sann Pays Visit to Liberated Zone	H 3

LAOS

Further Reportage on National Day Activities	I 1
Editorial Report: Parade Participants	I 1
Leaders Attend Rally	I 1
Kaysone Phomvihan Speech	I 2
Defense Minister's Order of Day	I 11
LPDR, SRV, PRK Leaders Hold 'Cordial Summit'	I 12
Heng Samrin Meets Le Duan [SPK]	I 13
Heng Samrin Meets LPDR Leaders [SPK]	I 14
Heng Samrin Confers With Indian Envoy	I 14
GDR Delegate Praises Economic Development [East Berlin]	I 14
Meets Lao Leaders [East Berlin ADN]	I 15
Le Duan, Delegation Conclude Visit, Depart [VNA]	I 15
Souphanouvong Addresses 2 December Banquet	I 16
Leaders Awarded With PRK, Polish, GDR Orders	I 17
Kaysone Phomvihan Receives Cuban Party Leader [Havana]	I 17

VIETNAM

TIME Magazine Interviews Pham Van Dong	K 1
Remains of 7 U.S. MIA's Given to Delegation [AFP]	K 3
Tran Hoan Suggests Date for MIA Negotiation [AFP]	K 4
Recent Border Fighting With PRC Reported	K 5
Official Meets Thai Envoy on Nationals' Treatment	K 5
Nguyen Huu Tho Receives USSR Envoy Chaplin	K 6
Scientific Cooperation With USSR Promoted	K 6
Truong Chinh, Others Welcome Le Duan Delegation	K 6
Hoang Tung Receives Lao Friendship Delegation	K 7
Truong Chinh Attends Lao Envoy's Reception	K 7
Hoang Truong Minh Praises LPDR Achievements	K 7
Army Paper Carries Lao Defense Minister Article [QUAN DOI NHAN DAN]	K 10
Van Tien Dung Greets Cuban Armed Forces Day	K 11

AUSTRALASIA

AUSTRALIA

Talks on Nuclear Ban Held With New Zealand [AFP]	M 1
Palmer Sure ANZUS Will Survive	M 1
Hayden Concerned About Philippine Relations	M 2

NEW ZEALAND

Lange Decries U.S. Stance on Anti-Nuclear Bill [THE NEW ZEALAND HERALD 26 Nov]	M 2
Lange Defines Issue of ANZUS Row With U.S. [THE EVENING POST 28 Nov]	M 4
Stand on Antinuclear Legislation Viewed	M 4

PHILIPPINES

Protesters Denounce Aquino Verdict in Marches [AFP]	P 1
Radio Report	P 1
50 Senior Officers Retired, Accused Reinstated	P 2
Ver Names Changes in Key Military Posts [AFP]	P 2
Ramos Says Revamp May Be Military's 'Last Chance' [AFP]	P 3
Paper Details Bills Signed by Marcos	P 3
[TIMES JOURNAL 3 Dec]	
Bar Association Seeks SC Ruling on Election	P 5
Laurel, Kalaw Join Aquino in Election Race	P 5
Mrs Aquino Willing to Debate Marcos on TV [AFP]	P 5
KBL Convention Deferred to 11 December	P 6
Lopez Denies Urging Support for Marcos	P 6
[ANG PAHAYAGANG MALAYA 23 Nov]	
Mindanao Columnist Presents Salonga Interview	P 7
[MINDANAO DAILY MIRROR 13 Nov]	
Justice Sees 'Ominous' Signs of Martial Law [AFP]	P 9
Columnist Notes Growth, Strength of Bayan	P 9
[BULLETIN TODAY 2 Dec]	
New Romualdez News Magazine To Be Published	P 10
[BUSINESS DAY 2 Dec]	
Paper Views Australian Minister's Statement	P 10
[METRO MANILA TIMES 1 Dec]	
MP Denounces Solarz Proposal to Suspend U.S. Aid	P 11
Strike Paralyzes JUSMAG Operations 27 Nov	P 11
[BULLETIN TODAY 28 Nov]	
Labor Minister Acts	P 12
[BULLETIN TODAY 29 Nov]	
U.S. Bases Asked to Make Local Purchases	P 12
[BULLETIN TODAY 30 Nov]	
Olongapo Mayor Urges Higher U.S. Bases Rental	P 13
[BULLETIN TODAY 1 Dec]	
Columnist Advocates Shipyard Use by U.S., USSR	P 14
[MR & MS 22-28 Nov]	
Opposition MP Urges U.S. Statehood for Philippines	P 14
[PEOPLE'S DAILY FORUM 15 Nov]	
UN Group Calls Population Program Ineffective	P 15
[ANG PAHAYAGANG MALAYA 22 Nov]	
Philippines, Indonesia Sign Border Agreement	P 15
[BUSINESS DAY 29 Nov]	
Marcos Praises Peru's 'Courageous Act' on Debt	P 16
Overseas Contract Workforce Shows Growth	P 16
[BULLETIN TODAY 29 Nov]	
Marcos Names Members of Armed Forces Revamp Board	P 17
[PHILIPPINES DAILY EXPRESS 29 Nov]	
VERITAS Interviews Armed Forces Reformists [24 Nov]	P 17
Paper Notes Manpower Needs of Air Force	P 19
[BULLETIN TODAY 2 Dec]	
Marcos Discusses Increased Budgetary Deficit	P 20
[BULLETIN TODAY 28 Nov]	
Virata Comments on Additional Budget Deficit Leeway	P 21
[BUSINESS DAY 29 Nov]	
Columnist Views Increased Budgetary Deficit	P 21
[METRO MANILA TIMES 30 Nov]	
Philippines Set To Cancel International Loans	P 22
[BUSINESS DAY 28 Nov]	
Correction to Laurel, Others Comment on Ver Acquittal	P 23

ASEAN MEMBERS AGREE TO HOLD SUMMIT

HK021612 Hong Kong AFP in English 1127 GMT 2 Dec 85

[Text] Bangkok, Dec 2 (AFP) -- The six members of the Association of South-East Asian countries (ASEAN) have agreed in principle to hold a summit meeting of their heads of states or governments, Thai Foreign Minister Sitthi Sawetsila announced today. Mr Sitthi said the agreement was reached upon during a week-end meeting of ASEAN senior officials in the northern Thai city of Chiangmai.

ASEAN officials are to meet again in Manila on January 13 and 14 in order to finalize the summit proposal and present it for endorsement by the foreign ministers of the non-communist grouping in July.

ASEAN was founded in 1967 with Indonesia, Malaysia, the Philippines, Singapore and Thailand. They were joined last year by newly independent Brunei.

Mr Sitthi declined to comment on the contents of the summit meeting. Thai officials have called for such a gathering to work out counter-plans to what key economists of some ASEAN countries see as protectionist policies in the West hurting the economies of developing countries. The Thai Foreign Minister also refused to specify whether any date or venue had been envisaged for the summit.

ASEAN held its first summit meeting on January 23-24, 1976 in Bali, and the second on August 4-5 the following year in Kuala Lumpur.

ADB ANNOUNCES PRC MEMBERSHIP APPLICATION

HK280340 Hong Kong AFP in English 0332 GMT 23 Nov 85

[Text] Manila, Nov 28 (AFP) -- The Asian Development Bank (ADB) today announced receipt of a formal application for membership from China and said it expected the country to become a member by April. The chief information officer of the Manila-based banks, P.S. Harriharan, made the announcement at a news conference.

The application will receive prompt and due consideration by the bank, he said. "The membership proposal will now be submitted to the board of directors of the bank for consideration and for recommendation to the board of governors. It is expected that PRC will become a member before the next annual meeting to be held at the end of April 1986," he added.

The ADB spokesman said Taiwan, a founding member of the bank established in 1966, would remain a member.

The ADB has 31 Asia-Pacific member countries and 14 from North America and Europe. A total of 28 members are considered developing nations.

Sources said China informally applied three years ago. Under ADB rules a formal application is accepted only with the bank's prior approval.

The ADB's leading funders are Japan and the United States. It gives ordinary and concessional loans to its member countries, with total 1984 lending placed at 2.234 billion dollars.

USSR CALLS TERRITORIAL CLAIM UNREALISTIC

OW040343 Tokyo KYODO in English 0319 GMT 4 Dec 85

[Text] Tokyo, Dec 4 KYODO -- Japan is unrealistic in continuing to claim the northern islands held by the Soviet Union since the end of World War II, Radio Moscow said Tuesday. The radio, monitored here, said maintaining such a claim runs the risk of further complicating the difficult situation facing both countries over the matter of bilateral relations.

It said the Soviet proposal calling for discussion on measures to strengthen mutual trust in the Far East is still valid along with other Soviet proposals to Japan. The other proposals include one for conclusion of a good-neighbor cooperation agreement, the radio said.

The Soviet Union has proposed the agreement in place of the peace treaty which Japan wants to conclude after settlement of the territorial issue. Japan and the Soviet Union issued a joint declaration to put an end to the state of war which still existed after the closure of World War II. But they have yet to conclude a peace treaty.

ABE, SHEVARDNADZE TO DISCUSS KOREAN PENINSULA

OW031211 Tokyo KYODO in English 1204 GMT 3 Dec 85

[Text] Tokyo, Dec. 3 KYODO -- Foreign Minister Shintaro Abe will inform Soviet Foreign Minister Eduard Shevardnadze of South Korea's hope for an expanded dialogue with North Korea when he meets his Soviet counterpart here next month, Foreign Ministry sources said Tuesday. Abe will do so in the strong belief that Shevardnadze will visit North Korea after his visit to Tokyo, scheduled for January 15 to 19, the sources said.

Japan will ask Shevardnadze to convey the message to North Korea in the hope that it will contribute to bringing peace in the Korean peninsula, they said.

Abe will also explain Japan's lifting of sanctions against North Korea on January 1, 14 months after they were imposed to protest the 1983 terrorist bombing in Rangoon, Burma, saying that it is hoped the lifting will help improve the political atmosphere for dialogue between North and South Korea, they said.

The sources said they believe Shevardnadze will visit North Korea for the first time since taking up his post because 1986 marks the year for the five-year friendship treaty between North Korea and the Soviet Union to be extended.

NAKASONE MEETS PRC'S COMMUNICATIONS MINISTER

OW031057 Tokyo KYODO in English 1050 GMT 3 Dec 85

[Text] Tokyo, Dec. 3 KYODO -- Visiting Chinese Minister of Communications Qian Yongchang Tuesday asked Prime Minister Yasuhiro Nakasone for Japan's assistance in transportation and communications projects to be emphasized during China's next five-year economic plan starting in 1986. In their meeting at Nakasone's office, the Prime Minister replied positively to Qian's request, according to Nakasone's aides.

Earlier in the day Qian and Japanese transport Minister Tokyo Yamashita agreed to hold annual working-level talks, between the two countries, beginning next year, to study ways to cooperate in the fields concerned.

Qian is here at the invitation of Yamashita and is scheduled to leave for home next Tuesday after an inspection tour of port facilities in Kobe, Osaka and Yokohama. He will also visit a tunnel that links Aomori, in the northernmost part of Honshu, with Hakodate, Hokkaido, under the Tsugaru Strait.

MITI REACTS WITH MIXED FEELINGS TO LEATHER DISPUTE

OW040559 Tokyo KYODO in English 0526 GMT 4 Dec 85

[Text] Tokyo, Dec. 4 KYODO -- Officials at the Ministry of International Trade and Industry (MITI) reacted caustiously Wednesday to news of the deadlock in Japan-U.S. leather trade talks. "We have mixed feelings," said one MITI official, speaking on condition that his name be withheld. "We are sorry we could not reach an agreement in the talks but we are somewhat relieved that the U.S. has not taken immediate retaliatory action against Japan."

U.S. Trade Representative Clayton Yeutter and MITI Vice Minister for International affairs Kazuo Wakasugi held seven rounds of talks on Japan's import restrictions of leather and leather footwear in Washington Tuesday but were unable to reach an agreement. Japan offered to remove its import volume quota system on leather and leather footwear and shift to a tariff quota system at an early date, the MITI official said. But he declined to give further details on the talks.

Yeutter said after the talks that the deadline has expired for the bilateral leather trade talks and "we now have to consider what actions we will take." The two countries had been negotiating since November 22 in Washington following the U.S. decision last September to take retaliatory measures if Japan failed to solve the leather trade issue before midnight Monday. Under section 301 of the 1974 Trade Act, it is up to U.S. President Ronald Reagan to decide what action the U.S. should take against Japan.

Officials said the U.S. and Japan will start talks in Geneva next week, based on Article 28 of the General Agreement on Tariffs and Trade (GATT), on Japanese tariff hikes on leather and leather footwear planned under the proposed tariff quota system to make way for removal of the volume quota. Japan will compensate for the tariff hikes with lower tariffs on other goods, they said.

Japan will hold separate talks in Brussels later this week with the European Community on raising leather tariffs, the officials said.

"We hope the U.S. will consider action against Japan from a general point of view embracing the whole of U.S.-Japan relations," one official said.

KOMEITO'S TAKEIRI INDICATES COOPERATION WITH LDP

OW040431 Tokyo KYODO in English 0337 GMT 4 Dec 85

[Text] Tokyo, Dec. 4 KYODO -- Komeito Chairman Yoshikatsu Takei indicated Wednesday his party is prepared to work together with the ruling Liberal-Democratic Party if the LDP is committed to pursuing a non-militarist line and defending the war-renouncing constitution. In a key-note speech delivered at the opening of the party's 23rd Convention, Takeiri criticized Prime Minister Yasuhiro Nakasone's call for "overhauling" Japan's post-war politics as a threat to the nation's pacifist policies.

Komeito, which is backed by the lay Buddhist organization Sokagakkai, is Japan's second largest opposition party and favors a middle-of-the-road political stand.

Takeiri's overture to work with "pro-constitution forces" within the LDP is regarded as an attempt to exercise influence on LDP contestants for the next prime minister-ship to stay clear from the Nakasone line. Takeiri, saying that he was speaking his "personal thoughts," also cited anti-militarism as a second condition for Komeito support to whoever takes over Nakasone's job as prime minister. Takeiri admitted, however, that it is still premature for the opposition parties to talk about unseating the LDP and forming a coalition government of their own.

The Komeito chairman cited the nation's financial, trade and administrative reform as possible areas in which Komeito might enter into policy consultations with the LDP. Takeiri criticized the LDP's economic and finance policy as timid, and said the time has come for the LDP to cooperate with the opposition. He said a major change in fiscal and economic policy is necessary and that the LDP lacks the ability to deliver such a change.

CENTRAL BANK RULES OUT DISCOUNT RATE CUT

OW040625 Tokyo KYODO in English 0530 GMT 4 Dec 85

[Text] Tokyo, Dec 4 KYODO -- Satoshi Sumita, governor of the Bank of Japan, Wednesday reiterated that the Central Bank will not change its current monetary policy "for the time being," thus ruling out the possibility of an immediate cut in the official discount rate. Sumita told a luncheon meeting sponsored by KYODO NEWS SERVICE that the current monetary situation is sufficiently relaxed, citing the latest money supply growth rate, 8.1 percent in October, which is higher than the nominal economic growth rate of about 1 percent. But he was quick to point out that the bank will take flexible monetary policies in accordance with possible changes of economic conditions in and outside Japan.

There have been increasing calls among Japanese export-oriented industries for a cut in the discount rate, since the recent appreciation of the yen against the dollar threatens to reduce their earnings from exports denominated in dollars. The yen has strengthened almost 20 percent against the U.S. dollar since September 22 when five industrial nations including Japan and the U.S. agreed to cooperate to engineer a softer dollar.

Over the short term, deflationary effects of the yen's upsurge on Japan's economy will offset favorable effects such as reduced prices of imported goods, Sumita said. Over the long term, however, Sumita said the "adjustability" inherent in the Japanese economy will work to ease the deflationary effects. He cited "the high quality of Japan's workforce and corporate structures" as factors. Referring to the exchange rate, now standing at about 204 yen to the dollar, Sumita reiterated that the Central Bank wants the rate to be stabilized at a high level as soon as possible.

On the Japanese economy, he said its expansionary pace has slackened but it is continuing to grow, supported by the firmness of corporate capital spending and consumer spending. On the U.S. economy, Sumita said the country will be able to achieve 2 to 3 percent growth this year but future growth will depend on how well the U.S. can keep on correcting the overvaluation of the dollar later on. To this effect, Sumita suggested that the U.S. must come up with concrete measures to reduce the federal budget deficit, about 200 billion dollars annually, which is believed to be a major factor behind the overvalued dollar and a subsequent soaring U.S. trade deficit.

NORTH-SOUTH RED CROSS TALKS IN SEOUL CONCLUDE

SK040542 Pyongyang Domestic Service in Korean 0400 GMT 4 Dec 85

[Text] The 10th round of the North-South Red Cross talks has come to an end. The 2d-day session of the 10th round of the North-South Red Cross talks was held on 4 December at the Sheraton Hotel in Seoul.

The members of the delegation of our side, including its head, Yi Chong-yul, advisory members, and suite members participated in the meeting. Also, delegates of the South side, including the senior member, advisory members, and suite members participated in it.

At the first-day session, our side, reflecting the urgent desire of the families and relatives separated in the North and South, presented a draft of a letter of general agreement on the realization of free travel between the families and relatives separated in the North and South, as well as another general proposal on measures other than free travel applicable only for those unable to pay free mutual visits. Also, at today's session our delegation put forward a proposal for the use of planes for the shuttling of the delegations of the two sides between Pyongyang and Seoul; this proposal has already been put forward, on 5 November.

In the meantime, the South side came up once again with the three drafts of the letter of agreement, which it had already presented at the ninth round of the talks.

Today's meeting was conducted behind closed doors, as agreed upon by the two sides. At the end of the meeting, spokesman of our side Pak Young-su held a press conference.

According to the spokesman of our side, at the 2d-day session our side first called attention to the content of the three agenda items put forth by our side at the first session and, at the same time, the fact that the South side put forth three drafts of a letter of agreement, and proposed to the South side an agreement on the forms of conducting the meetings in order to conduct the discussion of the issues effectively because it was impossible to discuss the six proposals put on the table simultaneously.

Our side called attention to the fact that at the eighth round of the talks the two sides agreed upon a package discussion of the five agenda items and on assuming free travel, designed to comprehensively alleviate the misfortune and sufferings of the families and relatives separated in the North and South, as the most essential and central way, and then repeatedly stressed that the issue of quickly finding out whether the separated family members and relatives are still alive or dead, and their addresses, and the issue of informing them of such findings, realizing free mutual visits between them, and realizing their reunions could be easily solved, and that such issues as the issue of reuniting the families are included in the five agenda items of the full-fledged round of the talks as a whole if free travel is realized.

The spokesman of our side said that our side, proceeding from this, proposed to the South side the discussion, as the first among the six agenda items put on the table, of the issue of realizing free mutual visits between the families and relatives separated in the North and South.

Then our side explained in detail the basic purpose, content, justness, and reasonableness of the draft of a letter of agreement on the realization of free mutual visits proposed by our side.

Our side made it clear that our draft of a letter of agreement on free travel is, first, the most realistic proposal based thoroughly on the concrete reality of our country; second, it is a proposal that most sufficiently reflects the will and aspirations of the families and relatives separated in the North and South; third, it is a proposal so planned as to make it possible to realize smooth progress in the free travel; fourth, it is a very just and reasonable proposal in view of the fact that it sufficiently reflects what has been agreed upon between the two sides, as well as the opinion of the South side; and fifth, it is a proposal in full accordance with the resolution adopted at the 19th meeting of the International Red Cross League Council, which states that national Red Cross organizations will conduct humanitarian activities in accordance with the reality of their own countries, and with the items reflected in the resolution adopted at the 20th conference of the International Red Cross, which recommends that contacts between dislocated families be provided until such a time as their reunions are realized.

Then, our side asserted that our draft letter of agreement has, in all aspects, no fault, and is a draft of letter of agreement fundamentally significant in the settlement of humanitarian issues designed to alleviate the sufferings of separated families and relatives in the divided countries. Our side added that if our draft of letter of agreement on free travel is agreed upon and put into practice, the misfortune and sufferings of the families and relatives separated in the North and South will be comprehensively and fundamentally resolved and the issue of conducting the second exchange of home-visiting groups proposed by the South side will be automatically realized.

NODONG SINMUN Commentary

SK040652 Pyongyang Domestic Service in Korean 2152 GMT 3 Dec 85

[NODONG SINMUN 4 December commentary: "Two Totally Different Standpoints"]

[Text] The first-day session of the 10th round of the North-South Red Cross talks was held in Seoul on the morning of 3 December. Although the meeting on this day ended only after hearing the keynote addresses of the two sides, it laid bare a conspicuous conflict in the standpoint and attitude of the two sides regarding the project designed to alleviate the sufferings of the families and relatives separated in the North and South.

At this session, our side put forward a draft for an agreement on free travel of the families and relatives separated in the North and South, as it was agreed at the eighth round of the talks that the agenda items put on the table would be discussed as a package and that free travel would be assumed as the most comprehensive and fundamental way to alleviate the misfortune of the families and relatives separated in the North and South. Our side also put forward a proposal for some measures other than the free travel out of consideration for the possibility that there might be some people among the separated fellow countrymen who cannot participate in the free travel.

If our draft for an agreement is realized, no doubt all of the humanitarian issues, ranging from the issue of finding out whether the families and relatives separated in the North and South are still alive or dead to the issue of realizing their reunion, will be resolved smoothly.

Nevertheless, not only did the South side not respond to our just proposal, but it also insisted, insincerely, on realizing the draft for an agreement it had put forward at the ninth round of the talks only after rephrasing portions of it.

The draft for an agreement that the South side came up with is a de facto retrogression from the spirit of the agreement reached at the eighth round of the talks in that it regards free travel, the most fundamental method for the realization of the five agenda items, as something that is relevant to a couple of items only. It is also an irresponsible proposal in that it is designed to make the delegates to the full-fledged talks shirk their responsibility, with a view to deferring the discussion of the agenda items No 4 and No 5 of the joint Red Cross committee.

The South side's repeated putting forward of such unjust proposals can only be interpreted as an intention to delay the discussion of the issues. What cannot be allowed to pass without calling it into question is the South side's unreasonable approach to the talks, attempting to overturn its earlier agreement on the discussion of the agenda items as a package and on free travel. How can anyone have dialogue in good faith with those who say that they agreed on a certain thing at a previous round of talks and then return the discussion of the issue to the starting point by recasting their earlier words at the next round? Moreover, when can they alleviate the misfortune and sufferings of the separated fellow countrymen?

Although the South side habitually babbles about the sufferings of the 10 million dislocated families, it is not in a position to bradly alleviate the sufferings of the fellow countrymen through such a comprehensive measure as free travel and to make contributions to promoting national harmony and unity and to providing a shortcut road to national reunification in the process. The fact that the South side came up with other issues, such as exchange of home-visiting groups, which can be automatically resolved if the free travel is realized can only be interpreted as an expression of its intention to delay the discussion of the fundamental issue, the issue of free travel.

On the eve of the talks, the South side maliciously slandered our system and mounted fabricated propaganda, with the help of publications, of putting the cart before the horse, speaking as though we were trying to delay the discussion of the fundamental issues at the Red Cross talks. This is also an attempt to make the current round of talks fruitless, and to blur the atmosphere of the talks.

Broadly and quickly alleviating the sufferings of the separated fellow countrymen by realizing free travel is the hope of the nation and a task whose fulfillment cannot be delayed.

If the South side opposes free travel and ignores the sufferings of the fellow countrymen while trying to justify its cause of serving humanitarianism by such a passive project as the exchange of home-visiting groups, it will be an irreversible crime committed against the nation. The South side should not hesitate in alleviating the sufferings of the families and relatives separated in the North and South by way of realizing free travel as agreed upon at the eighth round of the talks, respect what has been agreed upon by the two sides, and approach the talks in a sincere manner.

SOUTH WAR EXERCISE 'RUNS COUNTER TO DIALOGUE'

SK040250 Pyongyang Domestic Service in Korean 2155 GMT 1 Dec 85

[NODONG SINMUN 1 December commentary: "'Sunggong Operation,' Which Runs Counter to Dialogue"]

[Text] The South Korean puppet clique inspired war fever at a meeting to award prizes for the "Sunggong Operation-85" held recently at a puppet air force unit.

After conducting a frantic aerial firing exercise by mobilizing puppet air force units and numerous fighters, the puppet clique held a meeting to award prizes. This aerial firing exercise, called "Sunggong Operation," designed to evaluate the puppet air force's capability in operational command, was conducted day and night for 15 days, and bore close resemblance to an actual war. A thick smell of powder reeked in South Korea because of this racket of playing with fire.

Not only all fellow countrymen in the North and the South but also the world's peace loving peoples unanimously hope that a measure for the relaxation tension will be taken and that a premise for peace in and the peaceful reunification of Korea will be provided through the realization of our proposal for North-South parliamentary talks at the earliest date. Why is the provocative "Sunggong Operation" necessary at this very time? This is a traitorous act designed to intensify tension and break the atmosphere for dialogue.

The South Korean puppets are also talking about peace and improving relations. If this were sincere, they should have done correct things that could contribute to this. However, the puppets have adamantly opposed our initiative for holding North-South parliamentary talks and taking a measure to relax tension. Furthermore, in recent days, it has, on the one hand, unilaterally delayed the preliminary contact for the holding of parliamentary talks. On the other hand, the puppets are accelerating war preparations, which babbling about thorough war preparations. Appearing in the central-western region of the front of short while ago, puppet Chon Tu-hwan babbled about the strict command system and complete combat preparedness.

At a puppet forces' major commanders meeting immediately following, discussion took place on measures for national defense; including attaining combat preparedness in an initial stage of war, conducting actual war-like night-time exercises and joint exercises, and strengthening operational readiness in preparation for irregular warfare. Under such circumstances, in which war fever was being unprecedentedly inspired, the aerial firing exercise, called "Sunggong Operation," was conducted and the meeting to award prizes was held. Needless to say, these events were arranged in order to provoke a war of northward invasion, not to improve relations. All facts show that the South Korean puppets' babble about relaxing tension, improving relations, and reunification are all falsehoods and that they are frantically accelerating preparations for a war of northward invasion.

The puppets' provocative racket of playing with fire, which was kicked up under the placard of the "Sunggong Operation," clearly showed the two-faced nature of their demand for discussing the question of legislating the so-called unified constitution, while opposing the holding of parliamentary talks at which the question of relaxing tension would be discussed. While opposing our just proposal for peace and reunification, the puppets conducted a firing exercise against us, using us as the target of their attack. How can this be called an act designed to relax tension and improve North-South relations? The puppets called playing with fire by mobilizing fighters the "Sunggong Operation." This clearly shows the belligerence of the puppets, who pursue confrontation with force, not relaxation of relations.

The improvement of relations and confrontation with force are incompatible. The South Korean puppets must stop the provocative rackets of playing with fire and all other acts designed to intensify tension. Even though they are accelerating war preparations and pursuing confrontation with force behind the curtain of dialogue, the puppets will not be able to block the people's aspiration for peace and reunification.

If they break the atmosphere for dialogue and intensify tension by continuously kicking up military rackets, the puppets will have to assume full responsibility for all results caused by this.

KCNA ASSAILS SOUTH'S BUDGET FOR 'WAR,' 'PLUNDER'

SK040604 Pyongyang KCNA in English 0528 GMT 4 Dec 85

[Text] Seoul December 2 (KCNA correspondent) -- The draft budget for 1986 was passed through the South Korean "National Assembly" on the morning of December 2, according to South Korean newspapers. In defiance of the persistent opposition of the opposition parties the members of the "Democratic Justice Party" held a budgetary committee meeting and plenary meeting themselves in a surprise attack method and passed the draft budget for next year only in two minutes the budget is aimed at intensified preparations for war and long-term office and a budget seeking harsher plunder of people. This is illustrated first of all by the budgetary expenditure.

The "defence expenses," the direct military spendings, are set at 4,308,990 million won, or 12.6 percent greater than this year's figure. "Expenses for social development" a large share of which will be used as indirect military expenses are scaled at 1,104,954 million won, or 28.2 percent increase above this year's, "expenses for economic development" at 2,222,535 million won, or 9.1 percent rise above this year's. This shows that the puppet clique plans to squander about 60 percent of the budget for next year in stepping up war preparations. The authorities also earmarked 1,341,809 million won, or 10.9 percent greater than this year's, for general administrative expenditure which will be used for raising wages of "government officials", servants for their long-term office, and strengthening central and local bureaucratic ruling machines and 1,290,003 million won, or 28 per cent greater than this year's, for payment to local finance. On the contrary, they did not earmark even a penny for the insignificant amount of "expenses for the development of agriculture and fisheries" which had been included in the budgetary expenditure.

Meanwhile, the South Korean authorities plan to intensify the plunder of people for ensuring the huge amount of budgetary expenditure for next year. The "inland tax" for next year is set at 8,119,359 million won, or 10.2 per cent rise, which accounts for 58.8 percent of the revenue composition. The "defence tax" is set at 1,857,666.3 million won, the "educational tax" at 334,221.2 million won and the profits of monopoly enterprises, a kind of tax, at 984,000 million won. This implies that the authorities intend to secure 81.8 percent of the budgetary revenue for next year with money to be wrested from the South Korean people.

On December 2 the authorities also revised various "tax laws" to rescue comprador enterprises on the point of bankruptcy and feed comprador capitalists. One of them is the "law on tax exemption". This law provides for exempting comprador monopolies from various kinds of taxes.

As can be seen, the authorities' budget for next year is a budget stepping up war preparations and realising their long-term office and a predatory budget.

NODONG SINMUN ON SOUTH FORUM ON UNIFIED CULTURE

SK290607 Pyongyang Domestic Service in Korean 2151 GMT 26 Nov 85

[NODONG SINMUN 27 November commentary: "A Crow Pretending To Be a White Heron"]

[Text] The Chon Tu-hwan ring held a so-called forum on unifying culture and arts on 25 November with a deceptive slogan of overcoming heterogeneity between the North and South and creating an atmosphere of national creativity.

At this farce the puppets let the vice minister of national unification rave about the creation of unified culture and the development of the movement for cultural creation toward unification in the 2000's. This was very unbecoming for the ringleaders who are dividing the country and attempting to stay long in power, creating the heterogeneity of the nation.

The entire world knows that South Korea has been turned into a U.S. state where everything national is totally obliterated and into an area contaminated by Japanese and foreign culture. The U.S. imperialists' policy of national obliteration and the Chon Tu-hwan ring's acts of treachery to the country and nation have eroded the people's spirit of independence in South Korea with the pro-U.S. and respect-U.S. subservient consciousness, and have sacrificed the national economy for foreign monopoly capital. With the rotten U.S. way of life and the Japanese and foreign culture overflowing, the beautiful manners and customs of the nation are disappearing. It is an intolerable mockery and insult to the fellow countrymen that the traitors who systematically obliterated national culture and caused national heterogeneity should advocate the creation of unified culture and babble about overcoming national heterogeneity.

What we should not overlook is the fact that the puppets raved about cultural creation toward unification in the 2000's. The theory of unification in the 2000's which the puppets raved about is a variation of the criminal theory of unification by winning over communism whereby they scheme to defeat someone by force by building up the strength of the country, and it is the theory of perpetuating division presented in a different way.

The puppets' scheme, after all, is nothing short of declaring that they will drive the South Korean people to anticommunist confrontation and build a higher barrier of division by accelerating national heterogeneity. The purpose of the puppets heinously staging the anticommunist and war rackets behind the scenes of dialogue and blocking the progress of dialogue, delaying time indefinitely at the site of dialogue, is, after all, to hamper national reconciliation and unity and the reunification of the country.

The Chon Tu-hwan ring is uttering the words "nation" and "reunification" more often these days. The reason for this is apparent. In South Korea, the struggle of the youths, students, and people is vigorously being waged opposing the tyranny of the colonial rulers and the fascist rule of the traitors. The struggle of the youths and students seizing U.S. imperialists' aggressive institutions in South Korea and the puppets' administrative and government-patronized organizations is the manifestation of their consistent aspiration and will not to tolerate the U.S. imperialists and their stooges trampling on national dignity and sovereignty. Under such developments, the puppets needed to hide their true color as the enemy of the nation and reunification, prompting them to disguise themselves as if they had some consciousness for the nation.

Nevertheless, as everyone can distinguish between a crow and a white heron, everyone known the treacherous nature of the Chon Tu-hwan ring. The treacherous clique attempting to sever the kindred ties of the nation and to fabricate two Koreas will not escape the stern punishment of history.

TREATY SETS WATER, SHELF BOUNDARIES WITH USSR

SK021543 Pyongyang KCNA in English 1516 GMT 2 Dec 85

[Text] Pyongyang December 2 (KCNA) -- A treaty of boundaries of the economic waters and continental shelf between the Democratic People's Republic of Korea and the Union of Soviet Socialist Republics was initialled in Pyongyang on December 2. Talks were held in July and November in Moscow and Pyongyang to draw the demarcation line of the economic waters and continental shelf between Korea and the Soviet Union. A complete consensus of views was reached on all problems discussed at the talks.

NODONG SINMUN ON RESULTS OF SOVIET-U.S. SUMMIT

SK300530 Pyongyang KCNA in English 0514 GMT 30 Nov 85

[Text] Pyongyang November 30 (KCNA) -- NODONG SINMUN today carries a signed commentary titled "Sincere Stand for Peace," which reads in full:

Comrade Mikhail Gorbachev, general secretary of the Central Committee of the Communist Party of the Soviet Union, and U.S. President Reagan met in Geneva, Switzerland, from November 19 to 21, as already reported. According to the joint statement on the results of the Soviet-U.S. summit, their discussions covered basic questions of the Soviet-U.S. relations and the current international situation.

In the joint statement the two sides declared that they would not allow the outbreak of a nuclear war nor seek to achieve military superiority. The Geneva summit gave the beginning to the dialogue for an improvement of Soviet-U.S. relations and the world situation as a whole. The results of the Soviet-U.S. summit were fruits of the consistent efforts made by the Soviet Union for an end to the arms race, relaxation of the international tensions and consolidation of world peace and security.

The Korean people highly estimate the principled stand of the Soviet Union maintained by Comrade Gorbachev at the talks and support the proposals made by him. There were serious differences between the two sides at the summit in a number of critical issues. It was because the United States persisted in its "star wars" program that a concrete agreement could not be reached at the summit on the practical question of disarmament, namely the reduction of nuclear weapons and prevention of arms race in space.

Ending the nuclear arms race at present stands out as a key point in removing the danger of a global war, a thermonuclear war, hanging over the globe and in preserving world peace and durable security of mankind. Well known, is the Soviet stand on this question. The Soviet call is to drastically cut the nuclear weapons of the Soviet Union and the United States on condition that the arms race in space is ruled out. This was the basis of the Soviet proposals at the recent talks. This proposal of the Soviet Union and its unilateral moratorium on nuclear explosions before the summit reflected its sincere desire to defend world peace and security. For this the Soviet proposals and steps have enlisted support and welcome of broad quarters of the world.

The USSR Supreme Soviet on November 27 debated the results of the Soviet-U.S. summit talks and stated that the Soviet Union would make every effort possible to carry into practice all the points agreed upon in Geneva and expressed the hope that the United States also would take such a responsible attitude. The stand of the United States offers a striking contrast to that of the Soviet Union, as can be seen in its acts and deeds while the summit was under way and after the summit.

The world public which followed the Geneva talks views that the United States seeks to wreck the present military equilibrium between it and the Soviet Union, gain military superiority to the Soviet Union and possess the capacity of forestalling nuclear strike. Out of this desire, Reagan obstinately persisted in the aggressive "Strategic Defence Initiative" commonly known as "star wars" program at the Geneva talks. He manifested such stand also in his post-summit speech at Congress and news conference. U.S. Defence Secretary Weinberger, in his talks with the deputy director of the Japanese Defence Agency on November 26, said that the summit talks would not bring a change to the U.S. defence policy.

This stand of the United States illustrates that there is not the slightest change in its aggressive scheme to continue with the arms race under the cloak of "peace" and gratify its desire for world supremacy by a forestalling nuclear strike.

The practical significance of the Geneva summit, as Comrade M. Gorbachev declared, would find manifestation in concrete practice. The world people will judge by the U.S. deeds whether it really wants disarmament, detente and world peace and security, or not.

PEASANTS FRIENDSHIP GROUP WITH JAPAN MEETS

SK031113 Pyongyang KCNA in English 1044 GMT 3 Dec 85

[Text] Tokyo December 1 (KNS-KCNA) -- The inaugural meeting of the Japan-Korea Peasants' Association for Friendship and Exchange was held in Tokyo on November 23.

Congratulatory speeches were made at the meeting by Taro Yamakuchi, member of the Central Executive Committee of the Japan Socialist Party and director of the Peasants and Fishermen's Affairs Department of the party; Kazuyoshi Wata, member of the Secretariat of the Japan Committee for Supporting the Independent and Peaceful Reunification of Korea; and officials of the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyok).

The speakers wished the association grant success in the work for supporting the independent and peaceful reunification of Korea, strengthening goodwill and friendship between the Japanese and Korean peasants and widely introducing and propagandizing the fine agricultural experiences of the north half of Korea. A report was made by Kiyoshi Naoi, assistant professor of Dalkyo University. The leading body of the association was elected at the meeting.

Yoshinori Yasui, socialist member of the House of Representatives, was elected chairman of the association, Ryoza Takahashi vice-chairman and Kiyoshi Naoi general secretary.

CHONGNYON VICE CHAIRMAN VISITS FOR N-S TALKS

SK291118 Pyongyang KCNA in English 1028 GMT 29 Nov 85

[Text] Pyongyang November 29 (KCNA) -- Pak Chae-no, vice-chairman of the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon) and advisory member of our side to the North-South Red Cross talks, arrived here today by air to attend the tenth round of the talks. He was accompanied by a press corps of Chongnyon.

HWANG CHANG-YOP MEETS PRAVDA DELEGATION

SK030517 Pyongyang KCNA in English 0503 GMT 3 Dec 85

[Text] Pyongyang December 3 (KCNA) -- Hwang Chang-yop, secretary of the Central Committee of the Workers' Party of Korea, on December 2 met and had a conversation in a friendly atmosphere with the delegation of the Soviet PRAVDA, the organ of the Central Committee of the Communist Party of the Soviet Union, headed by Mikhail Korolev, deputy editor-in-chief of the paper. Present there were Kim Chang-sik, deputy editor-in-chief of NODONG SINMUN, and N. Shubnikov, Soviet ambassador to Korea.

KANG SONG-SAN CONFERS WITH SOVIET AMBASSADOR

SK290017 Pyongyang KCNA in English 1536 GMT 28 Nov 85

[Text] Pyongyang November 28 (KCNA) -- Premier Kang Song-san met and had a talk with Nikolay Shubnikov, Soviet ambassador extraordinary and plenipotentiary to Korea, on November 28. On hand was Kim Yong-sop, vice-minister of foreign affairs.

PAK SONG-CHOL, DELEGATION VISIT INDONESIA

SK011204 Pyongyang Domestic Service in Korean 1300 GMT 30 Nov 85

[Text] Vice President Pak Song-chol, who is leading the DPRK Government delegation on a visit to Indonesia, has paid a courtesy call on Indonesian Vice President Umar Wirahadikusumah. Delegation members, our country's ambassador to Indonesia, the [Indonesian] minister of foreign affairs, and relevant officials were present at the meeting. A conversation took place in a friendly atmosphere.

On 27 November, the delegation laid a wreath at the Tomb of National Heroes. The commander of the Jakarta garrison command, the presidential military secretary, and our country's ambassador to Indonesia were present at the wreath-laying ceremony. The head of the delegation reviewed the honor guard. Also on 27 November the delegation was invited to a banquet arranged by the Indonesian vice president. The [Indonesian] coordinating minister for political affairs, the coordinating minister for economics, finance, and industry; the minister of state and state secretary; the minister of foreign affairs; the minister of home affairs; the minister of tourism, post, and telecommunications; the minister of mining and energy; the minister of social welfare [as heard]; the mayor of Jakarta; and relevant officials were in attendance.

At this banquet, the Indonesian vice president and the head of our country's government delegation delivered speeches. The participants toasted the long life and good health of the great leader Comrade Kim Il-song; the long life and good health of the dear leader Comrade Kim Chong-il; his excellency President Suharto, the Indonesian people's respected leader; and the friendship and unity between the peoples of the two countries. Indonesian artists gave a performance at the banquet which was held in a friendly atmosphere. During its visit, the delegation has attended a banquet arranged by the governor of South Sumatra Province and has inspected various plants in the country.

MORE THAN 30 MINOR POWER STATIONS BUILT IN 1985

SK272154 Pyongyang KCNA in English 1503 GMT 27 Nov 85

[Text] Pyongyang November 27 (KCNA) -- More than 30 minor power stations have been built this year in Korea to create thousands of more kw of generating capacity. 21 power stations of different types and five minor power stations have been built respectively in Yanggang and Changang Provinces, mountainous provinces in the northern inland area. Various power stations have also made their appearance in South Hamgyong, South Pyongan, South Hwanghae and North Pyongan Provinces.

FURTHER REPORTAGE ON N-S RED CROSS TALKS

South Chief Delegate Speaks

SK040110 Seoul THE KOREA HERALD in English 4 Dec 85 p 6

["Excerpts" of speech by Yi Yong-tok, chief delegate of ROK Red Cross Society, at the opening of the 10th plenary North-South Red Cross talks in Seoul on 3 December]

[Text] The Republic of Korea National Red Cross delegation is pleased to have here in Seoul today the 10th full-dress meeting to discuss the project of reunions between 10 million separated family members.

Hoping that, Seoul meeting will be productive and successful, I now would like to discuss my side's position toward the 10th full-dress meeting. At the eighth full-dress meeting, the two sides agreed to discuss and settle the five agenda topics on a package basis. As for methods and procedures regarding travel back and forth between dispersed families and relatives, we agreed in principle on free travel. At the eighth full-dress meeting, the two sides agreed to discuss and settle the five agenda topics on a package basis. As for methods and procedures regarding travel back and forth between dispersed families and relatives, we agreed in principle on free travel. Based on these agreements, my side produced three comprehensive draft agreements at the first session of the ninth full-dress meeting calling for a package discussion and solution of these issues and the early undertaking of dispersed family projects. The draft agreements my side advanced were an Agreement Regarding the Implementation of Projects Envisaged in the Five Topics, an Agreement on Procedures for Free Travel Between Dispersed Families and Relatives in the South and the North and an Agreement on the Formation and Operation of a South-North Red Cross Joint Committee and a South-North Red Cross Joint Panmunjom Project Office.

With regard to our draft Agreement Regarding the Implementation of Projects Envisaged in the Five Topics, the methods for an item-by-item implementation of the five topics should naturally be produced together for their package discussion and resolution since the projects envisaged in the five topics are different in character and since the two sides have already agreed on a package discussion and resolution of the five topics without regard for their order.

As for our draft Agreement on Procedures for Free Travel, both sides could reach an accord easily on this if only we discuss the procedures for free travel in a way that conforms to the objective of free travel. Our draft Agreement on Procedures for Free Travel is not substantially different from your proposal since it fully reflects the ideas your side has already advanced.

The issue of a South-North Red Cross Joint Committee and a South-North Red Cross Joint Panmunjom Project Office, as your side well knows, is a matter that was already agreed on at the fourth full-dress meeting. My side's version of a South-North Red Cross Joint Committee and a South-North Red Cross Joint Panmunjom Project Office has been prepared in such a way as to guarantee the comprehensive implementation of functions and roles befitting each project of the five topics. And, at the ninth meeting, my side proposed the establishment of permanent Red Cross missions in Seoul and Pyongyang. The proposal is intended to facilitate the smooth implementation of family reunion projects and close business cooperation between the two Red Cross Societies by carrying out such business as cooperation and liaison for its personnel staying in the other's area.

I have studied the proposals your side made at the ninth meeting. As a result, I have discovered many points in common in the two approaches to the settlement of the dispersed family question.

I have come to realize, however, that there are some differences regarding the method for discussing the topics and the agreements. I would like to share with you the opinions of my side concerning such differences. First, we believe that inasmuch as our two sides have already agreed to discuss and resolve the five topics on a package basis without regard for their order, methods for an item-by-item implementation of the five topics should naturally be considered for their comprehensive discussion and solution.

However, your side in effect shuns a package solution of the five topics. While demanding a package discussion of the five topics, your side insists that the issue of free travel should be tackled first and that the methods and procedural matters on issues other than free travel should be discussed and determined after an agreement is adopted on the question of free travel. Moreover, your side failed to produce any concrete ideas regarding items other than free travel and procedural matters related to the actual realization of topics, saying only that they would be discussed.

To expand and develop the good results of the recent hometown visiting program even before full-fledged visits and reunions are realized, we propose that hometown visiting groups of dispersed families be exchanged again on the occasion of this coming lunar New Year's Day, which is one of our traditional national holidays.

I am also of the opinion that our Red Cross members, who have witnessed a second separation in that those who met in Seoul and Pyongyang recently had to be separated again, should take follow-up steps to ease their pains. We believe that it would be good to allow such families and relatives to freely exchange mail. If your side agrees, we hope that a working-level delegates' meeting will be held separately to discuss concrete matters related thereto. I am confident that this will become a stepping stone that will contribute immeasurably to the improvement of inter-Korean relations, national reconciliation and the laying of a foundation for national unification.

North Chief Delegate Speaks

SK040135 Seoul THE KOREA HERALD in English 4 Dec 85 p 6

["Excerpts" of speech by Yi Chong-yul, chief delegate of the North Korean Red Cross Society, at 10th plenary North-South Red Cross talks in Seoul on 3 December]

[Text] Within less than half a year since resumption of the talks in May, we have already made much achievement. In the eighth Red Cross talks, both sides reached an agreement on discussing and solving five topics on a package basis. With a mutual acknowledgement that free travel of the families dispersed South and North across the borders is prerequisite to the solution of the five topics, we have also principally agreed on the idea of free visits.

By more vigorously pushing ahead with talks based on these achievements, both sides should bring a great joy of reunion to dispersed families and thus prepare a stepping stone for eventual national unification, an ardent aspiration of the entire people of the country.

Free travel of dispersed families across the border, as agreed upon in the eighth talks, is the only way to solve the sorrows of the separate people in the fastest and most smooth way. We should by any means help the separated families realize their long dream of being reunited. For this, the idea of free visits should be without delay put in action. From these points of view, we would like to point out that some of your proposals put forth in the last meeting have some problems in principle. In short, we find that your side has retreated from our earlier mutual agreements.

Here, we put forth our draft proposal for mutual agreements on free travels of the separated families for their hometown visits. The basic, yet comprehensive method to solve the agony of the dispersed families, should be free travels.

- 1) The separated families should be able to, on their own free will, travel across the border into their hometowns, locate their relatives and confirm their whereabouts by themselves.
- 2) The dispersed families should also freely visit their families and other relatives at their homes and meet them at any place, in the South or North, wherever they choose.
- 3) The families can communicate with their families and relatives on the other side of the border, through their persons who travel across the border for hometown visits.

Both sides should abide by following rules in carrying out free travels.

- 1) Authorities of both sides should best take care of the free travelers.
- 2) Any intervention and control to obstruct the free travelers' humanistic activities should be banned.
- 3) Arrest or any other physical constraints of the free travelers during their hometown visits should be prohibited.

Those eligible for the free travels are limited to as follows:

- 1) Families at the time of separation and their descendants thereafter.
- 2) Second cousins on collateral relations and the first cousins on the wife's side and mother's side.
- 3) Other relatives when both sides request a free travel.

The procedures for the free travels are as follows:

- 1) The free travelers should first file application with their side's Red Cross authorities.
- 2) Red Cross authorities of each side should issue credentials of free travels to their own separated families, and notify the other side's Red Cross of the names and identities of the free travelers.
- 3) Free travelers should carry the travel credentials and wear their Red Cross insignia for the sake of easy identification.
- 4) The travelers' credentials should carry photos of travelers and display their names, sexes, ages, addresses, destinations and periods of stay.
- 5) Destinations should be confined to their hometowns and places of their families and other relatives at the time of separation, and workplaces of their families and relatives and other places where they can get information to locate their families and relatives.
- 6) The period of free travels should be around one month.
- 7) Free travelers can change their destinations and extend their period of stay according to their own needs.

Next Round 26-27 February

SK040510 Seoul Domestic Service in Korean 0400 GMT 4 Dec 85

[Text] The 10th round of the North-South Red Cross talks ended at around 1250 today. Concluding today's talks, the two sides -- the North and South -- agreed to hold the next round of the talks -- the 11th -- on 26 and 27 February 1986, in Pyongyang.

During the talks held today, the two sides discussed the issues put forth by both sides. However, the two sides failed to reach an agreement. Thus, they agreed to discuss such issues again during the 11th talks in Pyongyang.

KIM TAE-CHUNG 'VIRTUALLY' UNDER HOUSE ARREST

SK040631 Seoul TONG-A ILBO in Korean 4 Dec 85 p 11

[Text] Scheduled to attend a Christian congregation at the Tapdong Cathedral in Incheon on the afternoon of 4 December, Kim Tae-chung, cochairman of the Council for Promotion of Democracy [CPD], was virtually placed under house arrest by the police at 0800 on 4 December. In the morning, Hwang Yong-ha, director of Mapo police station, called at the house of Cochairman Kim, and conveyed the authorities' will that "it would be good not to participate in a function scheduled for 1900 at the Tapdong Cathedral in Incheon."

An aide to Cochairman Kim disclosed that when Cochairman Kim asked him if the action meant "house arrest," Director Hwang answered: "This is not house arrest, but just a request for your cooperation." Because of this, Cochairman Kim was unable to attend a meeting of the CPD Standing Committee held at 0930 this morning.

DISSIDENT WITH HEALTH PROBLEMS RELEASED

SK300033 Seoul THE KOREA HERALD in English 30 Nov 85 p 8

[Text] The prosecution yesterday released on probation Yi Chong-nam, 66, a standing committee member of the Council for Promotion of Democracy (CPD), who is accused of inciting campus unrest. The release was made for reasons of health. He is said to be suffering from hypertension. Yi was one of five opposition figures arrested for allegedly agitating a campus disturbance by attending a rally at Seoul National University on Nov. 21. The release came as a three-judge panel held a hearing on a request by lawyers for the five that they be freed under the habeas corpus system. The panel is required to make a decision within 24 hours.

CORRECTION TO NORTH RED CROSS GROUP IN SEOUL

The following correction pertains to the item headlined "North Red Cross Group Visits Seoul 2 December," published in the 2 December Asia & Pacific DAILY REPORT, pages E 1 and E 2:

First paragraph, line one reads: The delegation of the North Korean Red Cross society... (changing "DPRK" to "North Korean")

Second paragraph, line one reads: The 84-member delegation of the North Korean Red Cross Society... (changing "DPRK" to "North Korean")

Same paragraph, lines four and five read: At Panmunjom, the North Korean Red Cross Society... (changing "DPRK" to "North Korean")

LEADERS GREET LAO COUNTERPARTS ON NATIONAL DAY

BK010231 Phnom Penh SPK in English 1121 GMT 30 Nov 85

[Text] Phnom Penh SPK November 30 -- Heng Samrin, general secretary of the People's Revolutionary Party of Kampuchea Central Committee and president of the P.R.K. State Council; Chea Sim, chairman of the National Assembly; and Hun Sen, premier, have jointly extended their warmest greetings to Lao leaders on the 10th anniversary of the Lao People's Democratic Republic (Dec. 2).

In a message to Kaysone Phomvihane, general secretary of the Lao People's Revolutionary Party and chairman of the L.P.D.R. Council of Ministers; and Souphanouvong, president of the Republic and of the People's Supreme Assembly, the Kampuchean leaders say:

"December 2, 1975 was an exceptional historic event marking the end of the people's national democratic revolution and opening a new, brilliant era in the history of the Lao people, an era of genuine independence, freedom and socialism -- the most noble ideals of our epoch. That victory not only did away with the regime of oppression and exploitation by foreign countries, but also contributed to strengthening the powerful forces struggling against imperialism, expansionism, for peace, national independence, democracy and social progress.

"It reflected the long-term heroic, resilient struggle waged by the Armed Forces and people of Laos, with Comrade General Secretary Kaysone Phomvihane at the head, and with the militant solidarity and close, multiform cooperation of all the three Indochinese peoples. In the past 10 years, the Lao people concentrated their great united forces on advancing their struggle thereby fulfilling the tasks of national construction and defence on the path to socialism, against the expansionists, hegemonists and imperialists and Thai reactionary forces, with the U.S. as the chieftain. And from that outpost of socialism in Southeast Asia they have carried out their internationalist obligations and contributed to peace, independence, democracy and socialism.

"We highly value the policy of peace, friendship and cooperation of the L.P.D.R. for strengthening international security, because it constitutes an important factor of peace and stability in Southeast Asia and in the world.

"As clearly affirmed at the fifth congress of the P.R.P.K., the friendly, unshakable special relations of militant solidarity and multiform cooperation among the three Indochinese countries are and will remain forever the main, firm guarantee for the success of the P.R.K. in national defence and construction through the gradual transition to socialism. We believe that these relations will be further strengthened and reinforced with every passing day for the prosperity of our two peoples, for socialism and peace the world over."

Foreign Minister Hun Sen has also sent his Lao counterpart, Phoun Sipaseut, his best greetings.

PRESS 'WARMLY MARKS' LAO NATIONAL DAY

BK010915 Phnom Penh SPK in French 0408 GMT 1 Dec 85

[Text] Phnom Penh, 1 Dec (SPK) -- The Cambodian press warmly marks the national day of Laos (2 December).

The bi-weekly PRACHEACHON (PEOPLE) of the KPRP stresses in a front-page editorial:

"The resounding victory won on 2 December 1975 was the fruition of a long and persistent struggle waged with great heroism by all nationalities in Laos under the leadership of the LPRP for the right to be the master of their country and of their destiny of which they were deprived for decades by French colonialism and U.S. imperialism in collusion with the exploiter and oppressive feudalism.

"Not only has Laos' victory -- along with the victory of Cambodia on 7 January 1979 and that of Vietnam on 30 April 1975 -- brought great changes to the situation of the three Indochinese countries, but it has also actively contributed to the movement of liberation in Asia, Africa, and Latin America and to the consolidation of the socialist community, which was an encouragement for the forces of the revolution, of national liberation, and of peace in the world," the journal notes.

It points out that during the past 10 years under the enlightened leadership of the LPRP, headed by General Secretary Kaysone Phomvihane, the Lao people have held high their patriotism and revolutionary traditions and have won remarkable successes in the defense and reconstruction of their beloved country. The Lao Revolutionary Armed Forces, the journal goes on, together with all Lao people have foiled all perfidious maneuvers of the Chinese expansionists working hand in glove with the U.S. imperialists to instigate the Thai ultrarightist circles into conducting encroachment and sabotage activities against Laos.

In addition to all these successes, there is a policy of peace that has further heightened Laos' prestige in the international arena, PRACHEACHON says in conclusion.

For its part, the "Voice of the Cambodian People" radio says: "While celebrating the 7th founding anniversary of the KUFNCD, the Cambodian people would like to warmly salute the 10th anniversary of the LPDR's national day.

"The victory won by Laos on 2 December, 1975," the radio continues, "was a victory of the three Indochinese countries, of all national liberation movements, and of all forces of peace and progress for Marxism-Leninism over aggressive imperialism with the United States as the ringleader."

The LPDR has supported the Cambodian people without reservation in their just struggle and in all international forums, particularly the United Nations, the radio notes. Laos plays an active role in the establishment of peace, friendship, stability, and cooperation in Southeast Asia. The radio concludes by stressing that no reactionary force can break the solidarity linking Cambodia, Vietnam, and Laos.

The weekly KANGTOAP PADEVOAT notes that the enemy will never give up its designs to sabotage the peaceful lives of the Lao people and to hamper their national construction efforts. The journal recalls that in 1984, Chinese expansionism in collusion with U.S. imperialism instigated the Thai ultrarightist circles to illegally occupy three Lao hamlets. "However, the army and people of Laos launched a vigorous riposte against the enemy and forced it to withdraw in a shameful manner.

"The KPRAF always stands on the side of the Lao people and is convinced that the more the Lao Army and people intensify their struggle in the light of Marxism-Leninism, the more victories and greater prosperity they will win for their country," the journal stresses in conclusion.

HENG SAMRIN-LED DELEGATION RETURNS HOME

BK040554 Phnom Penh Domestic Service in Cambodian 0430 GMT 4 Dec 85

[Text] At 1100 on 4 December, the high-ranking party and state delegation of the PRK led by Comrade Heng Samrin, general secretary of the party Central Committee and chairman of the PRK Council of State, returned home safely after successfully attending the celebration ceremony of the 10th anniversary of the LPDR.

Included in the delegation were Comrade Bou Thnag, member of the party Central Committee Political Bureau, vice chairman of the Council of Ministers, and defense minister; Comrade Kong Korm, member of the party Central Committee and first deputy foreign minister; Comrade Chan Ven, general secretary of the Council of State, vice chairman of the Central Organizational Department and chairman of the PRK-LPRP Friendship Association.

Welcoming the delegation at Pochentong Airport were Comrade Hun Sen, member of the party Central Committee Political Bureau, chairman of the Council of Ministers, and foreign ministers; Comrade Say Phuthang, member of the party Central Committee Political Bureau and chairman of the party Central Control Commission; Comrad Chea Soth, member of the party Central Committee Political Bureau, vice chairman of the Council of Ministers, and planning ministers; Comrade Men Sam-An, member of the party Central Committee Political Bureau and secretary of the provisional party committee of Phnom Penh; Comrad Chan Seng, alternate member of the party Central Committee Political Bureau; members of the party Central Committee; and many other leading cadres from various state institutions, front, and mass organizations.

Pheli Khounlaleuk, ambassador extraordinary and plenipotentiary to the LPRP to the PRK; Ngo Dien, ambassador extraordinary and plenipotentiary of the SRV to the PRK; and diplomats, charge d'affairs, advisers, and representatives from various embassies of friendly countries accredited to the PRK were also present to welcome the delegation.

VOK: SON SANN PAYS VISIT TO LIBERATED ZONE

BK020837 Clandestine Voice of the Khmer in Cambodian 1100 GMT 1 Dec 85

[Text] His Excellency Son Sann, prime minister of the Cambodian Coalition Government and president of the Khmer People's National Liberation Front, visited the people in a liberated zone in western Cambodia. He advised the National Army of the Khmer People's National Liberation Front and the people to make every effort to maintain discipline although they are facing many problems caused by the Vietnamese who have tried to destroy Cambodian resistance forces.

His Excellency Son Sann visited a liberated zone on the border after he fulfilled a mission to seek international political support in many countries in the world. He recently went to London, Paris, and Rome. He told the people that the government officials of these three countries stated that they will make every effort to pressure Vietnam so that it would not attack Cambodian civilian camps of the Cambodian resistance movements along the border in this dry season.

FURTHER REPORTAGE ON NATIONAL DAY ACTIVITIES

Parade Participants

BK020152 [Editorial Report] At 0035 GMT on 2 December Vientiane Domestic Service in Lao carries live coverage of the National Day celebration. It reports that the parade of all Armed Forces and civilian units has begun to march past the "pavilion." The units are led by high-ranking Army, Navy, and Air Force officers and followed by representative units of the Border Police, traffic police, engineering corps, signal corps, medical corps, factory defense forces, national defense workers, male and female guerrilla militia forces, motorcycle patrol police, antichemical warfare forces, ground artillery forces, armored combat forces, air defense forces with aircraft flying past the parade site, transport combat forces and other combat forces.

The Armed Forces parade is also followed by representatives of many mass organizations and civilian branches, including young pioneers, youths, the women's union, and many ministries and state enterprises, with floats displaying their achievements.

Leaders Attend Rally

BK020615 Vientiane Domestic Service in Lao 0500 GMT 2 Dec 85

[Text] This morning, in Vientiane -- the capital of the LPDR -- over 50,000 residents held a large rally to celebrate the 10th anniversary of the 2 December National Day in a joyous atmosphere. The rally was attended by our party and state leaders and a large number of distinguished local and foreign guests.

Sitting in the reviewing stand at the rally were Comrade Kaysone Phomvihan, general secretary of the LPRP Central Committee and chairman of the Council of Minister; Comrade Souphanouvong, member of the party Central Committee Political Bureau, president of the LPDR, and chairman of the SPC; comrade members of the party Central Committee Political Bureau Nouthak Phoumsavan, Phoumi Vongvichit, Khamtai Siphandon, Phoun Sipaseut, and Sisomphon Lovansai; Comrade Le Duan, general secretary of the CPV Central Committee; Comrade Heng Samrin, general secretary of the KPRP Central Committee and chairman of the PRK State Council; Comrade Yakov Petrovich Ryabov, member of the CPSU Central Committee, member of the Supreme Soviet Presidium, and deputy chairman of the USSR Council of Ministers; and comrade heads of the delegations from the socialist countries and friendly countries who are here to attend the celebration of the Lao National Day anniversary.

Attending the grand and joyous rally were also members of the party Central Committee, alternate members of the party Central Committee, ministers and deputy ministers, chairmen and vice chairmen of the state committees, members of the SPC, members of the Lao Front for National Construction, representatives of the ethnic tribes throughout the country, representatives of the people of all strata, and a large number of high-ranking military and civilian cadres.

Members of the diplomatic corps and the international organizations in Laos also attended the rally. The official ceremony opening the rally was held at 0630 [2330 GMT 1 December] when the national anthem was played by the LPA brass band and a 21-gun salute was fired.

The December Young Pioneers then presented bouquets to the members of the presidium of the rally. Comrade Souphanouvong subsequently delivered a speech at the grand rally.

Kaysone Phomvihan Speech

BK020904 Vientiane Domestic Service in Lao 0500 GMT 2 Dec 85

[Speech by Kaysone Phomvihan, general secretary of the LPRP Central Committee and chairman of the LPDR Council of Ministers, delivered at the 2 December Vientiane grand rally to celebrate the 10th founding anniversary of the LPDR -- recorded]

[Text] Respected presidium of the rally and foreign guests, beloved compatriots (?and combatants);

Today, amidst a joyous atmosphere filled with a sense of jubilation, we, together with our compatriots and combatants throughout the country, are celebrating the 10th anniversary of the great victory of our nation -- the anniversary of the establishment of the LPDR, the first state in the history of our country which has the people of all tribes as its masters.

On this occasion, on behalf of the party Central Committee, the SPC, and the Council of Ministers, I would like to wholeheartedly extend my warm salutations and congratulations to our compatriots of all tribes, cadres, and combatants throughout the country, who have united and competed with one another to work diligently to score outstanding achievements to welcome the anniversary of our nation's great victory. [applause]

I would like to extend my wholehearted tribute and welcome to the distinguished guests from the fraternal countries and friendly countries who are here to celebrate this occasion with our people. [applause]

Comrades and friends, 10 years ago, amidst the current of uprising staged by our people to seize administrative power, the national congress of the people's representatives in Vientiane majestically declared the abolition of the outdated monarchy and replaced it with the system of a people's democratic republic. That great event gloriously ended the national-democratic revolution in our country, completely terminated the yoke of cruel and depraved rule of the feudalists and colonialists, and opened a new era -- the era of independence, freedom, and socialism -- for our nation. [applause]

That was the historic victory of great epochal significance to our people. It was the culmination of the revolutionary struggle of our people filled with sacrifices and difficulties for several decades under the leadership of the Indochinese Communist Party in the past, founded by the great President Ho Chi Minh, and the LPRP at present. Our success and the successes of the two fraternal countries of Vietnam and Cambodia constitute the collapse of a part of U.S. neocolonialism, thus contributing to checking the danger of expansionism and hegemonism, and shifting the balance of force in favor of peace, national independence, democracy, and socialism in this region and the world. [applause]

On this joyous historic occasion, we are overwhelmingly proud to remember all cadres, combatants, and people of various tribes who sacrificed their lives for the cause of independence, freedom for our country, and all internationalist cadres and combatants who sacrificed their lives for the Lao revolutionary cause. The ardent fighting spirit and heroic sacrifices of all the heroes who sacrificed their lives for the country, of all compatriots, and of all the internationalist friends will remain in the hearts of our people in the present and future generations. [applause]

Comrades and friends, since the day our people seized administrative power throughout the country and established the new regime, our party has remained resolute to take the country directly toward socialism without passing through the period of capitalist development. At a time when the international regional situation is changing and evolving in a complex manner, our country -- which is a country with an extremely underdeveloped economy and culture, almost totally lacks material and technical foundations, and has been severely affected by the aftermath of the war -- must march directly toward socialism though it is a difficult and complex task. Moreover, we have to face numerous postwar schemes of the imperialists and to resist the multifaceted subversive acts of the expansionists and hegemonists, aimed at weakening and swallowing our country. This development has become a great trial for the determination of our party and people. It has caused a struggle to settle the problem of who is going to emerge the winner between the two paths -- socialism and capitalism -- in our country, which is closely linked to the struggle against the hostile forces to defend the just acquired independence and freedom, to build and consolidate the new regime, and to defend the outpost of socialism in this region to become even more uncompromising and fierce.

Nevertheless, under the resolute leadership of our party, our people have further enhanced the tradition of patriotism and revolutionary spirit, concentrated all efforts and wisdom to defend and build the country, and overcome numerous difficulties and obstacles to score great victories and successes in various fields, thereby guiding our revolution to march forward firmly. [applause]

Firmly grasping the party's all-round line of national defense and public security work, our armed forces and people's public security forces have been strengthened to become more determined and heroic in defending the country and safeguarding the new regime. With the positive participation and wholehearted support of the power of all tribes, our Armed Forces have initially defeated the multifaceted war of destruction waged by the expansionists and hegemonists in collusion with various imperialist and reactionary forces and, at the same time, have duly counterattacked various provocations initiated by the ultrarightist reactionaries in the Thai ruling circles, thus firmly safeguarding the country's territorial integrity, ensuring political tranquillity and social order and security, and firmly standing as the outpost of socialism in Southeast Asia. [applause]

With regard to national construction work, relying on the prevailing conditions in our country, our party has correctly and creatively outlined and implemented the economic line. We have simultaneously carried out the two evolutionary movements. That is to transform the natural economy and to gradually transform small-scale production into large-scale socialist production, to use agriculture and forestry as a basis for industrial development, to use communications and transport as a sharp tool, to regard trade as a primary link, to place an emphasis on industrial transformation, and to build the structure of agricultural, forestry, and industrial work since the beginning and through the grassroots level.

Further enhancing the spirit of self-reliance and self-sufficiency and with assistance of fraternal countries, and friendly countries, our people have scored great and satisfactory successes. Over the past 10 years, the overall output of social products has increased two-fold and the per capita income has increased by 60 percent. We have persisted in transforming agriculture from a one-crop and one-season phenomenon into that of all-round production by engaging in intensive agriculture and increasing crop cultivation seasons. This outstanding success has resulted in increasing the overall rice production in 1984 to more than two times compared to that of 1975, thereby meeting the basic need for rice consumption in the country and permitting the people to store some surplus supply.

The planting of industrial trees has gradually increased; and livestock raising has become a branch of basic production work. At present, there are 1.5 million head of cattle in the country -- an increase of 60 percent compared to 1976. The number of material and technical foundations in agricultural work has also increased. Irrigation projects have been erected in many areas, tripling the irrigated area. The mechanization of agricultural production has also quintupled, compared to 1975. Plant seed and livestock breeding experimental stations have been set up in many areas and have become very essential to our production.

The socialist transformation in the agricultural field is also very effective. With positive response from laboring farmers, the campaign to set up agricultural cooperatives has been more extensively and firmly developed. At present, there are over 3,000 agricultural cooperatives throughout the country with nearly 50 percent of the farming families as members and covering more than 50 percent of the total farming area. In addition, several thousand labor-exchange units have been set up among farmers. This shows that the collectivization system has displayed its own outstanding features compared with the individual production system.

Our forestry work has made progress in many aspects. In many areas, forest exploitation has been simultaneously carried out in coordination with efforts in forestry conservation and reforestation. Handicrafts work -- our people's traditional production work which was seriously deteriorating under the old regime -- has been restored and extensively developed. Handicraft cooperatives have been formulated in some provinces to contribute to producing essential goods for domestic consumption and for export. In the industrial sector, through the nationalization and transformation process, a large number of capitalist and private enterprises have become state-operated businesses or joint ventures operated by the state and private sectors. We have reactivated, expanded, and built a number of vital economic enterprises and have put them into operation already, such as the electricity, machine tool, mining industry, construction material production, and farm and forest product processing enterprises.

Communications and transport work remains a more complex endeavor in our country. In the past 10 years, we have concentrated efforts on repairing old roads and building new ones with a total length of more than 3,000 km, repairing old bridges and building new ones with a total number of nearly 700, and repairing and building a number of airfields, thus expanding the air and marine transport network. At the same time, the state and people have also joined efforts in building roads in the country, thus gradually linking communications and transport routes throughout the country. Our postal work has also made progress in several areas. A ground satellite relay station has been constructed and put into operation. Our teletype, television, and telephone links with foreign countries have also been expanded.

Circulation and distribution of goods is one of the most complex and difficult services in our country. We regard internal and external trading transactions as an important development. We have paid attention to setting up state trade network and trading cooperatives. At the same time, we have used the private trading sector to develop economic exchanges between the urban and rural areas and to develop trade transactions and relations with many countries, especially the fraternal socialist countries. We have set up an independent monetary and finance system for ourselves. All this has contributed to promoting production and improving the people's living conditions. We have rebuilt several provincial and district municipalities and thousands of villages previously destroyed by the destructive war, and have sent tens of thousands of people who were removed by the enemy during the war back to their native villages and helped them to normalize their lives.

With regard to the cultural and social work, our party has adopted a policy to take the ideological and cultural revolution one more step by using education as the pivotal task and to build a culture and education which is characterized by national and socialist features, thus enabling the people of all tribes to receive training in the political, cultural, vocational, and public health fields as new socialist men. In recent years, we have scored successes in this area. It is worthy of note that by the end of 1984, the literacy campaign was completed throughout the country. At present, several hundred thousands of people are engaging in cultural training at various levels. Compared to the 1974-75 school year, the number of formal students in this school year has increased by twofold and that of the higher education and university level by 7.5 times. One out of four citizens in our country is now in school. We have trained more than 6,000 university-level cadres and 23,000 intermediate-level cadres -- an increase of 10 times compared to the period when our country was just liberated. We have paid considerable attention to educating youths and young pioneers. At present, we have more than 900 kindergarten schools and child care centers.

We have vigorously developed information and cultural work by consolidating and building radio broadcasting stations and a television station, regularly publishing over 10 newspapers and journals, selling millions of copies of several types of books, and extensively promoting and developing mass cultural, art, and literary work.

Our public health work has been rapidly developed. So far, there are over 131 hospitals and 700 health stations with over 10,000 health cadres. Sanitation and disease prevention have become an extensive movement among the masses. The use of modern medicine together with herbal medicine has produced effective results, thereby contributing to checking the spreading of several epidemic diseases. Malaria eradication has been actively carried out in several areas.

Implementing the humanitarian policy of the party and state, we have organized rehabilitation programs for tens of thousands of former military officers and soldiers and police officers and policemen of the old regime, turning most of them into good citizens. Several thousand victims of social vices in the old regime have been reeducated and rehabilitated and have become ordinary laboring citizens.

The success in the cultural and social sector has raised the level of knowledge and capabilities of our people in several fields, has contributed to enriching the moral life of the people, has gradually wiped out the depraved and decadent culture and faith in superstition, and has built a pure lifestyle for our people. All this reflects the outstanding characteristics of the new regime.

Passing through trials and practical deeds in the struggle, the proletariat dictatorship has been constantly built and consolidated. The administrations at all levels have been established and consolidated to be capable of managing the state, economy, and society in a more effective manner. The national front and the mass organizations have also been consolidated and developed extensively to become the mainstay of the enthusiastic revolutionary movement of the people of all tribes.

Our party which is the leading core of the proletariat dictatorship regime has grown stronger in the political, ideological, and organizational fields. Firmly grasping and applying Marxism-Leninism and lessons from the fraternal countries, our party has correctly and creatively outlined the guideline, plan, and policy for the initial stage of advancing toward socialism by bypassing capitalist development in our country. The leading and fighting characteristics and leadership capabilities of our party have been constantly enhanced. The unity and unification within the party have been consolidated to an unprecedented extent to become the center of unity for the entire people. The ranks of party cadres and members have been rapidly consolidated and developed, thus increasing their roles as key and model personnel in all spheres of revolutionary work.

We are very proud to see that after passing through the fierce and uncompromising struggle for 10 years, our people have managed to score more and more great victories and successes in many fields with every passing day. Being a former colony, our country has now become an independent entity and a member of the socialist community. The face of our nation has changed for the better every day. The national unity and national concord have become very firm. The laboring people's right to mastership has been strengthened and enhanced in all fields. The posture and strength of the revolution in our country have grown very strong. [applause]

On the occasion of the grand anniversary of our nation, on behalf of the party Central Committee, the SPC, and the Council of Ministers, I would like to wholeheartedly hail the compatriots of all tribes; mass organizations; cadres and combatants in the armed forces and public security forces; workers in the industrial, agricultural, and forestry enterprises; collective farmers; Buddhist monks and novices; intellectuals; learned persons; cadres and state employees in all services and at all levels; senior citizens, youths, and young pioneers throughout the country for closely uniting with one another to sincerely follow the party, overcoming all difficulties and obstacles, endeavoring to sacrifice, enthusiastically participating in the labor campaign to carry out production, fighting, working, and studying and for uniting with one another to defend and build the country and to build the new regime, thereby firmly taking our revolution forward. [applause]

I would like to extend my warm greetings to the families of those persons who have sacrificed their lives for the country, and to wounded comrades and sick persons. I hope that those comrades recover from their sickness and regain strength soon. [applause]

I would like to hail the virtue of and to express sincere gratitude to the Vietnamese forces and experts, the Soviet experts, and the experts from the other fraternal countries for having fulfilled and fulfilling their internationalist obligations in our country. I would like to thank the experts from the friendly countries and the international organizations for assisting in building many projects in Laos. [applause]

I would like to hail the aliens living in Laos for having abided by the law and positively contributing to developing the Lao economy. [applause]

I would like to extend my greetings to the Lao compatriots living in foreign countries, who are always concerned about their native land and never forget to make contributions in various forms to our just cause. [applause]

Comrades and friends, the developments in the past 10 years have testified that the line of our party in defending the country and building socialism is correct and creative, and that the various guidelines and methods adopted to implement this line have conformed to reality in our country. We have drawn a number of lessons from this line.

Since the initial stage, our party has pursued the line that we must simultaneously implement the two strategic tasks -- to defend the country and to build socialism, and we must regard them as the decisive issue in the revolutionary cause in our country. The evolutionary movement of the struggle throughout the country and in each locality has reaffirmed that only by resolutely resisting the hostile forces, defending the country, and securely safeguarding the new regime and the labor of the people in peace time will we be able to triumphantly build and develop the economy and culture.

Furthermore, the promotion of production and the raising of the standard of moral and material life of the people of all tribes in a continual manner are a vital basis for increasing the strength of the national defense and public security for defending

the country. In the past, our people in some areas failed to firmly grasp and fully appreciate these two tasks in carrying out their duties. As a result, their movement and work failed to advance evenly and firmly.

To triumphantly fulfill the tasks of defending the country and building socialism, we must grasp firmly the strategic measures as follows: We must rigorously turn all spheres of work to the grassroots level by implementing the direction of closely combining the three spheres of work -- political, economic and social, and national defense. Several branches of work and localities are determined to implement this direction in all mass movements with a sense of tenacity from the grassroots level. As a result, the laboring people's right of mastery has been enhanced, tranquillity and social order have been ensured, production has been developed, all aspects of living conditions have been improved gradually, and the proletariat dictatorship has become firmer and stronger, thereby turning the grassroots level into a genuine fortress for socialism.

However, in certain areas, our cadres, especially key ones, and party members do not pay attention to turning to the grassroots level, associating themselves with its movement, assisting in solving the various difficulties at the grassroots level, and drawing lessons from it so as to build a model aimed at encouraging its movement to advance forward firmly and thoroughly.

While relying on our country's special characteristics in various fields and in the initial stage of the transitional period, we must firmly grasp the direction of closely coordinating transformation and construction. In so doing, construction must be used as a primary factor in building small and intermediate enterprises, which is a main concern. We must efficiently and effectively fulfill this direction by closely coordinating between the center and localities. The state and people must cooperate in carrying out this direction.

However, it seems that a number of services and localities are hasty, careless, and greedy. They fail to estimate their own true strength so as to concentrate their investment to produce primary goods. The construction of a number of projects has been carried out without exact calculation of various aspects. As a result, their efficiencies are very low, thereby creating considerable losses.

In the sphere of goods circulation and distribution, we have failed to utilize trading as the genuine central factor and to attentively develop the state trade network and trading cooperatives in an extensive and thorough manner. Especially, we have failed to implement two-way relations at the grassroots level so as to allow the state to firmly control food supply, goods, and money with the intention of stabilizing the market and prices, vigorously developing production, improving the people's living conditions, and strengthening the worker-peasant alliance in earnest.

Under the prevailing circumstances in our country, our party has adopted a plan to develop the economic relationship among various localities within the country in order to enhance the strong posture of each locality and to enable them to help one another do away with local market competition in each area. Another important thing is that we must resolutely rely on the socialist system, promote economic relations with Vietnam and Cambodia, and increase our economic cooperation with the Soviet Union and the other fraternal socialist countries. In the past, we have not implemented this policy effectively. As a result, we have not been able to exploit our potentials so as to increase the strength of our country in all fields and to contribute to building the consolidated strength of the three Indochinese countries and to increasing the strength of the socialist community.

Another decisive factor in translating the party's line and policies into reality is that we must have cadres who possess revolutionary qualifications, knowledge, and capabilities, such as key cadres and management cadres at all levels and in all spheres of work.

In the past, we have trained and promoted cadres for all spheres of work. However, we still lack a definite and detailed plan, fail to completely understand the party's line, and fail to closely appreciate developments in our country. As a result, we are unable to meet the growing requirements of the revolution in the new period. We must pay attention to hurriedly solving this problem.

Comrades and friends, firmly adhering to the foreign policy of peace, independence, friendship, and socialism of our party and state, we have won various favorable conditions in the world -- conditions favorable to our cause of defending and building the country, thus honorably contributing to the joint struggle of the world's people for peace, national independence, democracy, and socialism, and upholding our country's influence in the international arena. [applause]

We are pleased to have learned that the special solidarity, militant alliance, and all-round cooperation among Laos, Vietnam, and Cambodia, which have been built and promoted by the parties and peoples of the three countries with patience and which have been forged in the process of the national salvation struggle, have been continuously consolidated and strengthened in the new period under the beacon of the summit meeting of the three countries in February 1983. The militant alliance and relations among the three countries have developed a step further and have been daily deepened with a new quality -- a factor deciding the development of the revolution of our country and of the other two fraternal Indochinese countries.

Nevertheless, the relations and cooperation between localities and between branches of work of the three countries in the past few years have produced fine efficiency, creating a great potential for promoting and developing the overall strength of the three countries for national defense and socialist construction in each country. [applause]

Our party and state regard the solidarity and relations with the great Soviet Union -- a diamond-hard bulwark of the world revolution and world peace -- as constituting a principled policy and a rule always ensuring all victories of the revolution in our country. We are pleased to have learned that the solidarity and all-round cooperation between our country and the Soviet Union and other fraternal socialist countries are bearing fruit. The great, all-round, and effective assistance of the Soviet Union and the precious assistance rendered by the fraternal countries in the past 10 years have contributed importantly to healing the wounds of war, to restoring and developing our country's economy and culture, and to improving our people's living conditions. [applause]

Together with the people of the Soviet Union and the other socialist countries and all peace-loving people throughout the world, our people are determined to do our utmost to contribute to the common struggle aimed at halting the arms race caused by the warmongering forces led by the U.S. imperialists, doing away with the danger of the nuclear holocaust and safeguarding peace and international security. [applause]

Our people completely support the peace initiatives and proposals advanced by the Soviet Union and the fraternal socialist countries. We highly value the correct stance and the sense of complete responsibility of the Soviet Union toward peace and international security, which were displayed at the recent Soviet-U.S. summit meeting in Geneva. The United States must cease the arms race both on the ground and in space and must implement its pledges with actual deeds. [applause]

Toward neighboring countries, our country's unswerving policy is a policy of peace and friendship. Together with the SRV and the PRK, we have done our best and will do our best to contribute to promoting meetings and dialogues between two groups of countries -- Indochina and ASEAN -- with the purpose of building Southeast Asia a zone of peace, stability, friendship, and cooperation without interference from outside. [applause]

We nurture the time-honored fraternal friendship between the Lao and Thai peoples and firmly persist in maintaining and developing good-neighborly relations with the Kingdom of Thailand on the basis of two joint Lao-Thai communiques signed in 1979. However, we resolutely oppose all schemes and hostile activities violating our country's sovereignty and territorial integrity, creating tension in the relations between the two countries, and destroying the friendship between the two countries.

Our government's correct proposals concerning the conduct of government-level negotiations for the settlement of all problems in relations between the two countries correspond with the earnest aspirations and just interests of the two sides. These proposals have won the sympathy and support of the broad sectors of the Thai people of various strata and have been hailed by world opinion as well. We hope that the Government of the Kingdom of Thailand will positively respond to the reasonable proposals. [applause]

We always nurture the time-honored friendship between the Lao and Chinese peoples. We are sincerely grateful for the Chinese people's support and assistance for our country's national salvation struggle against the United States. We hope that the relations between our country and the PRC will return to normal on the basis of respect for each other's independence, sovereignty, and territorial integrity, noninterference in each other's internal affairs, nonaggression, and peaceful coexistence.

We highly value the Nonaligned Movement with the Republic of India being the chairman and will strive to contribute to the growth and strength of the movement in the struggle against imperialism and for peace, national independence, and the development of a new international economic order. [applause]

We vigorously support the movements for national liberation and independence in various Asian, African, and Latin American countries. We strongly support the struggles for democracy and social progress of the working class and laboring people in various capitalist countries.

We express militant solidarity with the Cuban people in the struggle against the U.S. imperialists' hostile policy. We express solidarity with the Korean people who are struggling for the peaceful reunification of their fatherland. We express solidarity with the Indian people and support the Indian Government's positive foreign policy and stance in safeguarding peace in Asia and the world. We express solidarity with the Afghan people who are heroically safeguarding the fruits of their April revolution, we always stand on the side of the peoples of Nicaragua, El Salvador, and other countries in Latin America, and the peoples of Namibia, Palestine, Lebanon, and other Arab countries heroically struggling against imperialism, colonialism, neocolonialism, racism, and Zionism for independence, freedom, and the right to live in accordance with the path chosen by them. [applause]

From the rostrum of this solemn rally, I would like to express sincere and deep gratitude of the party, state, and people of all tribes of Laos for the vigorous support and great and honest assistance of Vietnam and Cambodia. We express sincere and deep gratitude for the great and effective assistance of the Soviet Union, for the precious assistance of other fraternal socialist countries, and for the sympathy, support, and assistance of various friendly countries, international organizations, and the peace- and justice-loving peoples in the world for the Lao people's cause of national defense and construction. [applause]

Compatriots, comrades, and friends: Facts in the history of our Lao nation over the past 10 years clearly prove that our people have maintained sufficient courage and abilities to defend and build the country, that our party's leadership is correct and clear-sighted, and that the international support and assistance to our just cause is great.

However, the world of regional situation will continue to develop in a complex manner. On our path of advancement, we will continue to encounter many difficulties. Therefore, in the years to come our entire party, army, and people must be determined to carry out the tasks stipulated by the third party congress. Let us strive to strengthen the solidarity among the entire people and among various tribes, heighten vigilance, endeavor to defend the country, strengthen the proletarian dictatorship system, promote and expand the rights to collective mastery of the people from the grass-roots level upward, and defend, promote, and expand the revolutionary gains. Let us strive to transform and build the economy, develop the culture, and positively improve the people's living conditions.

Let us concentrate on stepping up the agricultural and forestry production, firmly combine the agricultural and forestry work with the industrial work, vigorously step up developing the local economy, settle the problem of foodgrain, develop trade, produce more products for use as consumer goods in the country and for export, set up an additional number of necessary material establishments by putting an emphasis on the expansion of the communications and postal network, set up economic and technical sectors to serve the agricultural and forestry work, set up a number of main economic zones throughout the country, and set up model mountainous economic zones. Let us vigorously boost the cultural and ideological revolution, carry out educational reform, combine education with the economic and social life, raise to another higher level the quality of education, develop the art, literary, sports, and acrobatic movements, the three-clean hygienic movements, and the movements in building a new standard of living, positively do away with the practices which affect production and health, and step up the care for the people's health and health of mothers and children. We must pay special attention to building cadres, workers, and new, socialist Lao people, in particular the successive generation loyal to the party's revolutionary cause.

Let us strive to enhance the firm economic relations with Vietnam and Cambodia, create a division of labor, establish cooperation, and together march forward. Let us broaden the economic cooperation with the Soviet Union and other fraternal socialist countries. Simultaneously, we must broaden the economic relations with various friendly countries and draw assistance from various international organizations. To successfully fulfill the said tasks, we must determinedly do away with the bureaucratic, centralized management apparatus and attentively implement a new management apparatus while dividing and granting the right to mastery to localities and grassroots. We must implement economic incentives and promote socialist businesses, closely put together the three interests, consolidate and perfect working apparatuses and procedures in order to raise productivity, quality, and efficiency and to daily improve the economic and social activities in our country. We must strictly implement the system of practicing thrift in all spheres and must oppose a luxurious use of state and public property. We must coordinate the masses' revolutionary movements.

Comrades and friends, the 10-year path which our people have followed is a very glorious path. Our achievements are praiseworthy. The various experiences that we have scored are very precious for us. The future of our nation is bright. Let us be determined to join in striving to promote and expand the fruits we have scored and march forward to implement the Second 5-year State Plan in an enthusiastic manner and with a new lifestyle. Let us compete in scoring new achievements to welcome the fourth party congress. [applause]

Under the dignified and glorious banner of the party, for the prosperous and strong socialist fatherland, and for the prosperity and happiness of the people of various tribes, let our entire party, army, and people closely unite and march forward heroically. [applause]

Long live the 2 December spirit! Long live world peace! Long live invincible Marxism-Leninism! Long live the LPDR! Long live the LPRP -- organizer and leader of all victories of the Lao revolution! Thank you. [applause]

Defense Minister's Order of Day

BK021001 Vientiane Domestic Service in Lao 0500 GMT 2 Dec 85

[Order of the Day read by General Khamtai Siphandon, member of LPRP Central Committee Political Bureau, vice chairman of Council of Ministers, minister of national defense, and commander in chief of LPA, at grand rally held in Vientiane on 2 December to mark 10th anniversary of establishment of LPDR -- recorded]

[Text] Combatants of the LPA, militia-guerrilla forces, and all self-defense forces: Today, our people's Armed Forces, together with the entire people, are happy to celebrate the 10th anniversary of the establishment of the LPDR -- our beloved nation. Over the past 10 years, standing on the forefront of socialism in this part of the world, our country has advanced with firm steps along the path of socialism. The enemies have colluded with each other to seek every means possible to threaten our national independence and the new system in our country.

Nevertheless, under the talented and clear-sighted leadership of the LPRP, our people and Armed Forces have united as one to fight courageously, striven to build the country vigorously and industriously, surmounted all difficulties and obstacles, and gradually won great successes.

The LPDR is daily growing and becoming stronger in all respects. Our country's history for the past 10 years clearly shows that our people and Armed Forces are sufficiently capable of defending and building the country and that no reactionary forces can obstruct our country from marching toward socialism.

On the occasion of our country's great festival, our Armed Forces would like to express overwhelming gratitude to the glorious LPRP -- organizer and leader of all glorious victories of our nation. We express gratitude with profound feeling to the people of all nationalities throughout the country for loving, supporting, and assisting our Armed Forces in fulfilling their tasks.

On this occasion, in my capacity as minister of national defense, I wish to wholeheartedly hail all cadres, combatants, and national defense workers attached to various combat units, production units, command organizations, schools, hospitals, guerrilla forces, and self-defense forces throughout the country for courageously carrying out combat duties, positively carrying out work, and for enthusiastically striving to fulfill all tasks. I extend greetings, solidarity, and intimate affection to the families of these persons who have made sacrifices and have been wounded and hospitalized, the families of the revolutionary officers and men, comrades who have worked in other branches of work, and retired persons. Our entire people and Army remember the meritorious deeds performed by the beloved sons and precious nephews of the country who have sacrificed their lives, physical strength, intelligence, blood, and flesh for the growth and strength of our Army and the nation.

The current world and regional situation is still tense. Various reactionary forces have not yet given up schemes against our country's revolution. For this reason, our Armed Forces must always maintain vigilance and must not be negligent. They must be determined to carry out the strategic tasks of defending the country and building socialism. Implementing instructions issued by the Secretariat of the party Central Committee, the SPC, and the Council of Ministers, I order all the Armed Forces to:

1. Strive, together with the people, to resolutely smash all enemy's sabotage activities, maintain public order in the society, and always maintain combat readiness in order to firmly defend the country in all circumstances;

2. Positively coordinate with the forces of all branches at all levels to carry out various strategic measures adopted by the party and state, go to the grassroots to mobilize and organize the people, build and develop revolutionary forces, consolidate tranquillity at the grassroots in all respects, develop production, and daily improve the people's living conditions;
3. Strive to study and train and temper ourselves, raise our political, military, professional, and cultural levels, always grasp revolutionary qualifications, ceaselessly promote and develop the true nature and tradition of the People's Army, persist in fulfilling the two tasks of combat readiness and fighting well, and positively contribute to mobilizing and organizing the masses and to increasing production;
4. Regard as important and attentively promote the regional military work, build and develop the mass movement of defending their houses, and build the postures of national defense and public security in a firm, extensive, and thorough manner in localities and at the grassroots;
5. Positively take part in economic construction, closely associate the economic work with national defense work, vigorously strive to increase production and practice thrift, contribute to building a prosperous and strong fatherland, and ensure combat readiness;
6. Strengthen the special solidarity and militant alliance with the fraternal Vietnamese and Cambodian peoples and Armies and to strengthen the solidarity and all-round cooperation with the Soviet Union and the fraternal socialist family to positively contribute to the struggle for peace in the world and for peace, stability, friendship, and cooperation in Southeast Asia.

Let our people's Armed Forces uphold their loyalty to the party, closely unite around the LPRP Central Committee with beloved and respected Comrade Kaysone Phomvihane being the general secretary, and be determined to make use of all our capability to fulfill all tasks entrusted by the party, government, and people.

Long live socialist internationalism! Long live the LPDR! Long live the LPRP -- organizer and leader of all victories of the Lao revolution. [applause]

PRK LEADERS HOLD 'CORDIAL SUMMIT'

BK031052 Vientiane KPL in English 1009 GMT 3 Dec 85

[Text] Vientiane, December 3 (OANA-KPL) -- On the occasion of the celebration of the 10th founding anniversary of the Lao PDR, a cordial summit meeting was held here on December 2 between Kaysone Phomvihane, general secretary of the Central Committee of the Lao People's Revolutionary Party and chairman of the Council of Ministers of the Lao PDR, Le Duan, general secretary of the Central Committee of the Communist Party of Vietnam, and Heng Samrin, general secretary of the Central Committee of the People's Revolutionary Party of Kampuchea and chairman of the State Council of the People's Republic of Kampuchea.

Also present at the summit meeting were, on the Lao side, Nouhak Phoumsavan, Politburo member of the LPRP CC, first vice-chairman of the Council of Ministers; Souphanouvong, Politburo member of the LPRP CC, president of the republic and the People's Supreme Assembly; Phoumi Vongvichit, Politburo member of the LPRP CC, vice-chairman of the Council of Ministers; Khamtai Siphandon, Politburo member of the LPRP CC, vice-chairman of the Council of Ministers, minister of national defence; Phoun Sipaseut, Politburo member of the LPRP CC, vice-chairman of the Council of Ministers, minister for foreign affairs; and Sisomphon Lovansai, Politburo member of the LPRP CC and vice-president of the PSA.

On the Vietnamese side were also present Dang Thi, member of the CPV CC, chairman of the Committee for Economic and Cultural Cooperation with Laos and Kampuchea; Vu Quang, member of the CPV CC, head of the Foreign Relations Committee of the CPV CC; Hoang Bich Son, deputy-foreign minister; and Nguyen Xuan, Vietnamese ambassador to Laos.

And on the Kampuchean side were Bou Thang, Politburo member of the PRPK CC, vice-chairman of the Council of Ministers, minister of national defence; Kong Korm, member of the PRPK CC, first deputy-foreign minister; Chan Ven, secretary general of the State Council; Neou Samom, vice-chairman of the Control Commission of the PRPK CC, president of the Kampuchea-Laos Friendship Association; and Nguon Phansiphon, ambassador of the PRK to the Lao PDR.

Leaders of the three countries briefed each other on the success of the revolution in their respective countries, and wholeheartedly congratulated the great and glorious victories in all spheres of the Lao revolution in the past ten years after the complete national liberation.

The three sides note with satisfaction over the unceasing improvement and development towards a new profound quality of the special combative alliance and all-round cooperation among the three countries in accordance with the spirit of the first summit meeting in Vientiane -- thus giving great possibilities for the development of general strength of the three countries for the defense and building of socialism in their respective country.

The three sides express identical points of views in connection with their assessment of the international and regional situation favouring to the cause of national defence and construction in their country, to the cause of national defence and construction in their country, to the cause of peace, stability, cooperation in Southeast Asia, and to the world peace. The Lao PDR and the PRK highly appreciate the success of the official visit of the Indian prime-minister, Rajiv Gandhi, to the Socialist Republic of Vietnam.

The three sides resolutely support the principled stance and initiatives set forth by the Soviet Union for the reduction of armed forces aimed at stopping the militarization of outer-space and stopping the nuclear arms race on earth at a recent Soviet-U.S. summit meeting. The sides consider the summit meeting an event of universal importance -- thus opening a new era of dialogue, creating favourable conditions for mankind in the struggle for ameliorating lasting peace, national independence and social progress. In particular, U.S.A. must end its policy aiming at gaining military superiority over the Soviet Union, and it should coordinate with the latter in order to materialize all possibilities for the consolidation of peace. The meeting proceeded in a cordial atmosphere of fraternal combative solidarity and sincerely special friendship.

Heng Samrin Meets Le Duan

BK020645 Phnom Penh SPK in French 0509 GMT 2 Dec 85

[Text] Phnom Penh, 2 Dec (SPK) -- Heng Samrin, general secretary of the KPRP Central Committee and chairman of the Council of State of Cambodia and Le Duan, general secretary of the SRV Central Committee, met in Vientiane Sunday [1 December], according to our correspondent. The two leaders expressed satisfaction with the development of the socialist community and of the Nonaligned Movement, as well as that of the world's revolutionary movement, particularly in the three Indochinese countries. They appreciated the successes won during the past 10 years by the LPDR as well as those of the Vietnamese and Cambodian peoples, successes which, they said, constitute a cause of lasting peace in Southeast Asia.

Heng Samrin Meets LPDR Leaders

BK040345 Phnom Penh SPK in French 0507 GMT 3 Dec 85

[Text] Phnom Penh, 3 Dec (SPK) -- Kaysone Phomvihan, general secretary of the LPRP Central Committee and chairman of the Council of Ministers; and Souphanouvong, member of the LPRP Central Committee Political Bureau, president of the LPDR, and chairman of the SPC, received in Vientiane on 30 November Heng Samrin, general secretary of the KPRP Central Committee and chairman of the PRK Council of State, and a high-ranking Cambodian party and state delegation that went to Vientiane to attend the celebration of the 10th founding anniversary of the LPDR.

Kaysone Phomvihan and Souphanouvong congratulated the Cambodian people on their considerable achievements in their rebirth and their national defense work, and on the successful development of the militant solidarity among Laos, Cambodia, and Vietnam. They wished the Cambodian people, under the leadership of the KPRP, headed by Comrade Heng Samrin, even greater successes in their cause of national construction and defense.

HENG SAMRIN MEETS CONFERS WITH INDIAN ENVOY

BK031210 Phnom Penh SPK in English 0700 GMT 3 Dec 85

[Text] Phnom Penh SPK December 2 -- Heng Samrin, general secretary of the Central Committee of the People's Revolutionary Party of Kampuchea and president of the State Council of the People's Republic of Kampuchea, had a meeting in Vientiane, Laos, Sunday, with the Indian delegation to the 10th anniversary of the Lao People's Democratic Republic. Talking to the head of the delegation, M.K.R. Narayanan, secretary of state for foreign affairs, the Kampuchean leader told him of the development of the P.R.K. since the overthrow of the Pol Pot regime, particularly the resounding victory won during the last dry season in overrunning the main base of the Polpotists and other Khmer reactionaries along the Kampuchean-Thai border. Despite natural calamities, he went on, the Kampuchean people have gradually restored the national economy and have incessantly improved their life.

President Heng Samrin condemned the Chinese expansionists, the U.S. imperialists and ultra-rightists in Thailand for persisting in their effort to make use of the Polpotists and other reactionary Khmers to undermine the national revival in Kampuchea. He particularly condemned the Reagan Administration's intervention in Kampuchea's affairs. President Heng Samrin expressed profound gratitude for India's firm support and wished for a more fruitful development of the ties between the two countries. He concluded by asking the Indian diplomat to convey his personal greetings to President Z. Singh and Prime Minister Rajiv Gandhi, wishing them the best of health and success.

For his part, Narayanan expressed his admiration for Kampuchea's fast development in all fields. He said his government would continue its support for the just cause of the P.R.K. and wished the relations between the two countries further development.

GDR DELEGATE PRAISES ECONOMIC DEVELOPMENT

LD031828 East Berlin Voice of GDR Domestic Service in German 1300 GMT 3 Dec 85

[Excerpt] Werner Felfe, who is heading a GDR party and government delegation to republic ceremonies in Vientiane, has expressed appreciation of the economic development in Laos. The delegation today visited the country's national exhibition. Here, at the same time, Werner Felfe paid tribute to the close cooperation between the GDR and Laos. It is making an essential contribution to the work of socialist construction in the fraternal country, he said.

Meets Lao Leaders

LD011505 East Berlin ADN International Service in German 1243 GMT 1 Dec 85

[Text] Vientiane, 1 Dec (ADN) -- A GDR party and Government delegation headed by Werner Felte, member of the Politburo and secretary of the SED Central Committee, arrived in the Lao capital Vientiane on Sunday [1 December]. The deputation will be attending the celebrations marking the 10th anniversary of the founding of the Lao People's Democratic Republic [LPDR] on 2 December. The delegation consists of Herbert Krolikowski, first deputy minister of foreign affairs, and Bruno Mahlow, deputy head of the International Relations Department of the SED Central Committee.

In the afternoon Kaysone Phomvihan, general secretary of the Lao People's Revolutionary Party [LPRP] Central Committee, received the delegation for a cordial talk which was attended by LPDR President Souphanouvong. Werner Felte conveyed a message from Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR Council of State, on whose behalf Werner Felte presented to the LPRP general secretary the Order of Karl Marx, which was awarded to him on the occasion of his 65th birthday by the GDR Council of State at the proposal of the SED Central Committee Politburo and GDR Council of Ministers. This was in high appreciation of the services of the steadfast LPRP to the development of friendship and cooperation between the GDR and Laos.

Kaysone Phomvihan said that the award of the order is an expression of the esteem for the revolutionary fight of the Lao people and its efforts at developing socialism. He expressed his sincere thanks for the solidarity given by the GDR to Laos for many years. During their meeting Werner Felte and Kaysone Phomvihan noted with satisfaction that relations between the two countries have been further consolidated and have entered a new stage since the visit by LPDR party and Government delegation to the GDR in September 1982. This is of great importance for the wellbeing of the two peoples, for socialism and peace.

The two sides concurred in noting that the fight to safeguard world peace and prevent a nuclear war is the most urgent concern of our time. Therefore close cooperation between the socialist states and especially their commitment to the worldwide peace struggle is gaining in importance. Laos supports the numerous and far-reaching proposals to improve the international situation, as expressed by the Warsaw Pact Political Consultative Committee member states and by Mikhail Gorbachev at the Geneva summit meeting with Ronald Reagan. These initiatives are helping to achieve an improvement in international relations, the two sides stressed. Werner Felte and Kaysone Phomvihan emphasized the joint work for strengthening socialism, peace, and social progress.

Werner Felte affirmed the GDR's support for the policy of dialogue of the countries in Indochina with the ASEAN group and other interested states to turn Southeast Asia into a zone of peace, security, and cooperation, and for the efforts by the Lao party and state leadership to establish good-neighborly relations with Thailand. In the morning the delegation laid a wreath with the inscription "To the Fallen Heroes of the Laotian Revolution" at the memorial of the revolutionary fighters in That-Luang Palace. In the revolutionary museum of the capital the GDR deputation briefed itself on the selfless fight of the Lao people and the successful socialist development of its country.

LE DUAN, DELEGATION CONCLUDE VISIT, DEPART

OW031920 Hanoi VNA in English 1627 GMT 3 Dec 85

[Text] Hanoi VNA Dec 3 -- The high-level party and state delegation of Vietnam led by Le Duan, general secretary of the Communist Party of Vietnam Central Committee, to the celebration of the 10th National Day of the Lao People's Democratic Republic, left Vientiane for home today.

It was seen off by Kaysone Phomvihan, general secretary of the Lao People's Revolutionary Party Central Committee and chairman of the Council of Ministers, Phoumi Vongvichit, Political Bureau member of the L.P.R.P. Central Committee and vice chairman of the Council of Ministers.

While in Vientiane, besides attending the grand meeting held at That Luang square and other celebrations to mark national day, General Secretary Le Duan had a cordial talk with Heng Samrin, general secretary of the People's Revolutionary Party of Kampuchea and president of the State Council who was also in Vientiane on this occasion. Le Duan also received M.K.R. Marayanan, minister of state and head of the Indian Government delegation of Vietnamese residents in Vientiane. The Vietnamese party and state delegation laid a wreath at the Vientiane War Monument and visited the Lao National Museum.

SOUPHANOUVONG ADDRESSES 2 DECEMBER BANQUET

BK031348 Vientiane Domestic Service in Lao 0500 GMT 3 Dec 85

[Text] On the evening of 2 December, the LPRP Central Committee, the SPC, and the LPDR Government hosted a grand banquet in Vientiane to mark the 10th anniversary of the LPDR. Attending the banquet were Comrade Kaysone Phomvihan, general secretary of the LPRP Central Committee and chairman of the LPDR Council of Ministers; comrade members of the party Central Committee Politburo Nouhak Phoumsavan, Souphanouvong, Phoumi Vongvichit, General Khamtai Siphandon, Phoun Sipasseut, and Sisomphon Lovansai; comrade secretaries of the party Central Committee Sali Vongkhamsao, General Sisavat Keobounphan, Lieutenant General Saman Vi-gnaket, and Maichantan Sengmani; and other party and state leaders.

Attending the banquet were also the SRV party and state delegation led by Comrade General Secretary Le Duan; the PRK party and state delegation led by Comrade General Secretary Heng Samrin; the Soviet Union party and state delegation led by Comrade Yakov Petrovich Ryabov, member of the CPSU Central Committee, member of the Supreme Soviet, and deputy chairman of the USSR Council of Ministers; together with the party and state delegations of the Republic of Cuba, the People's Republic of Bulgaria, the MPR, the Hungarian People's Republic, the Polish People's Republic, the Socialist Republic of Romania, the CSSR, the GDR, the DPRK, and the Republic of India; and diplomats of several countries in Laos and representatives of international organizations. At the banquet, filled with an atmosphere of friendship, cordiality, and jubilation, Comrade Souphanouvong, acting on behalf of the party Central Committee, the SPC, and the Council of Ministers, delivered a speech.

[Begin recording] Respected distinguished guests, beloved comrades and friends: At the banquet hosted on the occasion of the celebration of the 10th anniversary of the LPDR, on behalf of the LPRP Central Committee, the SPC, and the LPDR Government, I would like to pay my tribute to and extend my welcome to all the distinguished guests, excellencies, and comrades for attending this event.

The victory scored by the Lao people on 2 December 1975 was the culmination of their arduous, protracted, and heroic struggle under the Indochinese Communist Party in the past and the LPRP at present. In fulfilling the two strategic tasks of defending the country and building socialism over the past 10 years, the Lao people have managed to score more and firmer great victories and successes in many fields, thus creating numerous important primary factors for the revolutionary cause to advance continually. Our achievements have contributed to increasing the consolidated strength of the three Indochinese countries, to increasing the strength of the socialist community with the Soviet Union as the mainstay, and to the struggles by the people all over the world for peace, national independence, and social progress.

The victories we have scored in the past cannot be separated from the great support and assistance of the fraternal socialist countries, friendly countries, and progressive forces in the world. I would like to take this opportunity to wholeheartedly express our profound gratitude for such previous support and assistance. [applause]

Our advancement in the immediate future will encounter numerous difficulties, obstacles, and trials. But we firmly believe that by further enhancing the tradition of heroism and a sense of tenacity by our people and with the sincere support and assistance from the international community, our just cause will certainly be triumphant.

I wish all the distinguished guests good health.

I wish all excellencies and comrades good health.

Thank you. [applause] [end recording] The banquet proceeded in an atmosphere of friendship and cordiality.

LEADERS AWARDED WITH PRK, POLISH, GDR ORDERS

BK021435 Vientiane KPL in English 0924 GMT 2 Dec 85

[Text] Vientiane, December 2 (KPL) -- Heng Samrin, general secretary of the People's Revolutionary Party of Kampuchea, and chairman of the State Council of the PRK on November 30 awarded Kaysone Phomvihane, general secretary of the LPRP and chairman of the Council of Ministers and Souphanouvong, Politburo member of the party CC and president of the Lao PDR and the PSA [SPC] -- with the highest order of the PRK, "Angkor", on the occasion of the celebration of the 10th founding of the Lao PDR.

Later, on December 1st Stanislaw Opalko, Politburo member of the Polish United Workers' Party, head of the party and government delegation of the Polish People's Republic [PPR] to the celebration of the 10th founding of the Lao PDR awarded Kaysone Phomvihane and Souphanouvong with the highest orders of PPR, Phoumi Vongvichit and Phoum Sipaseut, vice-chairmen of the Council of Ministers with honour orders of the PPR. In the same day, Werner Felfe, Politburo member of the Socialist Unity Party of Germany, head of the delegation of the German Democratic Republic here awarded Kaysone Phomvihane, general secretary of the LPRP, with the highest order of the GDR, "Karl Marx".

KAYSONE: PHOMVIHAN RECEIVES CUBAN PARTY LEADER

PA020454 Havana International Service in Spanish 0000 GMT 2 Dec 85

[Text] In Vientiane, Kaysone Phomvihane, secretary general of the Lao People's Revolutionary Party, received Juan Almeida Bosque, member of the Cuban Communist Party Politburo and vice president of the Cuban State Council. Almeida heads a delegation that is taking part in the festivities to mark the 10th anniversary of the proclamation of the Lao People's Democratic Republic. Previously, in a message sent to Vientiane on the occasion of the festivity, the CPSU Central Committee, the Presidium of the USSR Supreme Soviet, and the Soviet Government expressed their cordial congratulations and best wishes to the top Lao leaders, Kaysone Phomvihane and Souphanouvong.

TIME MAGAZINE INTERVIEWS PHAM VAN DONG

OW041043 Hanoi Domestic Service in Vietnamese 1100 GMT 3 Dec 85

[Text] Dear Friends: Pham Van Dong, chairman of the Council of Ministers, cordially received and talked with the U.S. businessmen representing more than 30 major U.S. companies and many key personalities of TIME magazine who were on a visit to Vietnam, at the presidential palace on 31 October

He said: I think that your visit is yielding fine results and this may be a fine result for the relations between our two countries. Because you are businessmen, your visit will promote the development of economic and trade relations between the two countries. I say so, because this is an issue of concern for you and us.

At the reception, Chairman Pham Van Dong answered a number of questions posed by the U.S. delegation members. Following are a number of main questions and answers:

Question: Your Excellency chairman, there still can not be talks about trade relations at this time, because obstacles still exist, for example, the Cambodian issue. What is your opinion on this issue?

Answer: We already have a clear-cut policy. In the near future, the Cambodian issue will be resolved with a political solution. If you wait, this will come. The question now is: it depends on the U.S. attitude.

Question: You said that it still depends on our side. What do you mean by that?

Answer: The Americans must understand that. I cannot speak on their behalf.

Question: Have you received any commitment or promise from the United States? For instance, when the Cambodian issue at the issue of Americans missing in the war are settled, will there be normalization of relations between the United States and Vietnam?

Answer: Please ask the White House this question. If the White House tells you something, please let me know.

Question: What benefits will Vietnam's normalization of relations with the United States bring to Vietnam in the political and economic spheres?

Answer: This is an interesting question. I need to say clearly that the Vietnamese people want multifaceted relations with the American people. This should have been achieved long ago. You should remember that we had the opportunity to achieve it in 1945, an opportunity you missed. Later, there was another opportunity, but the U.S. missed it again. Now is the moment for us to seize the opportunities. Economic, political, and other interests are necessary for both sides. I think that normalization of Vietnamese-U.S. relations will benefit both Vietnam and the United States. Am I right? Do you object? No one on the U.S. side speaks. Your silence implies that you agree.

Question: Will normalization of Vietnamese-U.S. relations make Vietnam less subordinate to the Soviet Union?

Answer: Why are you concerned about this? This is our business.

Question: If there were normalization of Vietnamese-U.S. relations, in what spheres, such as scientific exchange, capital investment, and training do you think we would be able to transact business?

Answer: Your suggestions are matters of our concern. It can be said that the relations between the two countries will be many-sided. We have a lot of things to do. In my opinion, we should start very soon.

Question: If you were a U.S. leader, what would you think of the Soviet Union's military presence at the Cam Ranh Bay?

Answer: There can be no if here. That is why I cannot answer your question. But, suppose that I were in the White House, I would say that this is normal. And if I were the President of the United States, I would establish relations with Vietnam right away.

Question: We want us to understand each other better, because the Vietnam war cost the United States many outstanding sons and left a wound in the U.S. heart. So, you should also pay attention to the U.S. situation, and can you take an initial step?

Answer: On our part, we have done what must be done and are doing. Only those lacking a goodwill doubt our good will. We have said many times that door is open. But you do not come in. What are your demands. We have shown a correct attitude regarding the issue of Americans missing in the war. Vietnam's wounds of war caused by the U.S. war are far bigger. The Americans have heavily devastated this country, leaving behind horrible consequences.

Question: If you were an American, what responsibility do you think that the Americans should fulfill toward Vietnam?

Answer: If I were an American, I would see that the Americans have spiritual and material responsibilities toward Vietnam. This is the question of conscience. If one is a man of conscience, one must bear responsibilities. The Americans came to this country uninvited. They did things there that people of conscience in the world cannot tolerate. These things will never be forgotten by mankind's conscience.

Question: You have waged a protracted struggle to win back independence and advance to socialist construction, and you have scored achievements. That is an irrefutable fact. But, compared to the other countries in the region, some countries' economies are developing faster than Vietnam's. Your Excellency chairman, do you think that your socialist construction model is the best?

Answer: True. We have our best model. That is the socialist construction model in our country. To prove this, I invite you to revisit Vietnam in 2000, and then you will have a better view. As for the fact that our economy is developing slower than some other countries' economies, what is the reason? Needless to say, you must have understood that. We must seek a way to go faster. I should emphasize to you that our people will be able to do what they are determined to do. Let us see one another in 2000.

Question: Do you mean that by 2000 your regime will be able to meet the Vietnamese people's needs?

Answer: Our people's needs are very great. We have done our best by mobilizing our entire people's forces and wisdom. The model we are building is designed by our people. For us, the people are masters of their own revolutionary undertaking. That is our history. History in the recent decades has proved this, and so will the future.

Question: Please give your opinion on this: It is now the dry season in Cambodia. The Thais are beefing up their armed forces in anticipation of Vietnamese troops' intrusion. Is it true that Vietnam is having secret talks with China?

Answer: You will have a chance to go to Thailand. Please tell, on my behalf, the top Thai leaders that Vietnam has never intruded into Thai territory, absolutely never. We don't do that. We have many other types of work to do, such as what we are doing here now. We want to hold talks with China in order to normalize relations, because we prize the time-honored friendship between the two peoples. Normalizing relations between the two countries benefits not only the peoples of the two countries, but the region as a whole. But so far the Chinese side has not yet shown its goodwill toward our proposal.

Question: As the father of five children, I would like to ask you what you have promised the Vietnamese children to make them live happily when they enter the 21st century?

Answer: Recently, I wrote an article about Vietnamese children and youths, which has caught the attention of public opinion in many countries. A western journalist asked me the same question as yours. I answered him by narrating the following account: During a meeting, a girl over 10 years-old offered me a bouquet. I asked her: What do you want to do when you grow up? She said: I will strive to become an astronaut. That is how our children are. The Vietnamese children's intelligence has been proved at international competitions in mathematics, physics, and music. Our children have extremely great prospects. Acting upon the testament of our late President Ho Chi Minh, we have to care better for our children, to be sure that our children will do better work in the future than we do now. I think that when they grow up, Vietnamese children will have better relations with the Americans of their own generation than we do now.

To end his cordial meeting, Chairman Pham Van Dong said: I remember that in my meeting with U.S. Senator Montgomery during his past visit to Vietnam, I cited a French saying: The absent are always in the wrong. We have had an open-hearted talk. I hope that this talk is a good seed which will bear fruit in the future.

REMAINS OF U.S. MIA'S GIVEN TO DELEGATION

HK041200 Hong Kong AFP in English 1141 GMT 4 Dec 85

[By Laurent Maillard]

[Text] Hanoi, Dec 4 (AFP) -- Hanoi today handed over the remains of seven U.S. soldiers listed as missing in action (MIA) in the Vietnam war following a failed joint search for an aircrew shot down 13 years ago.

Observers said the move would soften U.S. disappointment over the failure of the first Vietnamese-U.S. joint search at the site near here where a B-52 bomber crashed in December 1972. In a brief and now-familiar airport ceremony, the seven bodies in plain wooden caskets draped with the U.S. flag were handed over to the team of experts who took part in the two-week dig.

Vietnam did not say how and when it recovered the seven corpses, which were loaded on a U.S. Air Force C-141 "Starlifter" that had come to retrieve the equipment used in the excavation. The bodies will be taken to the U.S. Identification Center in Hawaii headed by Colonel Joe Harvey, leader of the U.S. delegation here.

Since 1982, Hanoi has formally returned the corpses of 124 soldiers lost in the war that ended a decade ago. A total of 1,797 Americans, most of them airmen, are still listed by U.S. officials as missing in action.

The return of the latest bodies came two days after completion of the joint search around the site where the B-52 crashed in the village of Yen Thoug, about 15 kilometers (nine miles) northeast of Hanoi.

The searchers found only minor debris, but Col. Harvey and Vietnamese officials hailed the operation as a success because it showed that both sides could work together.

Washington has made settlement of the MIA issue, a highly charged question in the United States, one of the pre-conditions to any eventual improvement in relations between the two erstwhile battlefield enemies. Vietnam has proposed a plan to resolve the question over two years vainly through the organization of new joint excavations at other sites where U.S. aircraft went down during the war.

Vietnamese officials said that the matter should be raised during an expected visit here by a high-level U.S. delegation on December 16.

Assistant Defense Secretary Richard Armitage and Paul Wolfowitz, the State Department's top Asia man, are to make the trip, which has long been sought by Hanoi as vital to a quick resolution of the MIA issue.

Both sides officially describe the matter as a "purely humanitarian" issue. Washington still clings to its demand for a withdrawal of Vietnamese troops from Cambodia before considering normalisation of ties with Hanoi. But the Vietnamese, seeking to break their diplomatic isolation created by their Cambodian venture, have made no secret of their satisfaction over the events of recent days.

"A new page in relations with the United States is opening," Tran Hoan, head of the Foreign Ministry's North American Department, said yesterday.

TRAN HOAN SUGGESTS DATE FOR MIA NEGOTIATION

HK031338 Hong Kong AFP in English 1319 GMT 3 Dec 85

[Text] Hanoi, Dec 3 (AFP) -- A high-level U.S. delegation might come to Hanoi on December 16 for talks about U.S. servicemen listed as missing in action (MIA's) in the Vietnam war, a high-ranking Vietnamese official said here today.

The head of the Vietnamese Foreign Ministry's North America Department, Tran Hoan, told a press conference that the U.S. delegation would include assistant Defence Secretary Richard Armitage, and Assistant Secretary of State for East Asian and Pacific Affairs Paul Wolfowitz.

Mr. Tran Hoan said that Washington had suggested the date for the visit a few days ago, and had asked for a meeting with Vietnamese Foreign Minister Nguyen Co Thach. He said that Hanoi would be considering [as received] the proposal, explaining that "we have to be sure that Mr. Thach will be in Hanoi at that time."

Mr. Thach's absence from Hanoi was the official reason Vietnam gave for the last-minute cancellation of a visit by Mr. Armitage and Mr. Wolfowitz in August.

Vietnamese have indicated several times recently that a visit by a high-level U.S. delegation before the end of this year would be essential to U.S.-Vietnamese cooperation in finding the 1,797 U.S. servicemen still listed as missing in Vietnam.

No length had been fixed for the December visit, Mr. Tran Hoan said, but the U.S. delegation would include Richard Childress, director of political and military affairs at the National Security Council and Ann Griffith, leader of an association for MIA relatives and an adviser to President Ronald Reagan.

The U.S. delegation was likely to discuss U.S. participation in a Vietnamese plan for searching for MIA's, and the possibility of organising further new joint searches for MIA remains, observers said here. Mr. Tran Hoan indicated that the possible creation of a permanent U.S. office here to deal with the MIA question could also be brought up.

"All subjects raised by either side could be discussed," he said.

He described the first joint search for remains of MIA's as a success, saying that the important thing was that "for the first time Americans and Vietnamese worked together."

Yesterday a joint search party ended a two-week dig for the remains of the crew of a U.S. B-52 bomber that crashed near here in 1972, having found fragments of the aircraft but no identifiable human remains. The experiment, he said, "turns a new page in relations between Vietnam and the United States."

The U.S. searchers are due to return home tomorrow, taking with them the remains of seven MIA's found recently by the Vietnamese.

RECENT BORDER FIGHTING WITH PRC REPORTED

BK031501 Hanoi Domestic Service in Vietnamese 1439 GMT 3 Dec 85

[Text] In October and November, Chinese troops continuously conducted provocative activities along our country's northern border. They sent scouts to intrude on 62 occasions into Quang Ninh, Lang Son, Cao Bang, Ha Tuyen, and Lai Chau Provinces; and regularly fired mortar shells and mounted many infantry attacks on our hills in Vi Xuyen, Ha Tuyen. On a certain day, they fired as many as 23,120 shells, some landing 10 km inside our border. Particularly serious was on 2 December, when Chinese troops lobbed 34,900 artillery shells at 33 points in Vi Xuyen District, Ha Tuyen, chiefly in Thanh Thuy, Coc Nghe, and south of Hill 1509. At 0830 the same day, an enemy infantry force of regimental size formed into three columns and launched five waves of attacks on heights 1100 and 900, some 20 km northwest of Ha Giang City. Upholding vigilance and fighting valiantly and resourcefully, our local forces repelled all the five landgrabbing attacks, killing hundreds of enemy soldiers. These activities have further proved that the Chinese authorities' schemes and maneuvers run counter to what they often claim verbally.

OFFICIAL MEETS THAI ENVOY ON NATIONALS' TREATMENT

BK031531 Hanoi Domestic Service in Vietnamese 1430 GMT 3 Dec 85

[Text] Today, Comrade Nguyen Duy Kinh, director of the Foreign Ministry's Consular Affairs Department, met with Thai Ambassador Atsada Chaiyaman to draw his attention to the fact that the Thai authorities recently requested 60 families of Vietnamese nationals who were living peacefully in Mukdahan Province to move to other areas and unjustifiably penalized a number of other Vietnamese residents in Ubon Province. Comrade Nguyen Duy Kinh stressed that these actions have caused difficulties to the lives of the Vietnamese nationals concerned and have run counter to the 10 September 1978 joint statement of the prime ministers of Vietnam and Thailand on the question of Vietnamese residents. The SRV Ministry of Foreign Affairs requested that the Thai side put an end to these actions against Vietnamese nationals. The Thai ambassador agreed to report the matter to his country.

NGUYEN HUU THO RECEIVES USSR ENVOY CHAPLIN

OW031943 Hanoi VNA in English 1635 GMT 3 Dec 85

[Text] Hanoi VNA Dec 3 -- Chairman of the National Assembly Nguyen Huu Tho received Soviet Ambassador B.N. Chaplin here today. With the chairman was Le Trang, deputy director of the office of National Assembly and State Council. Ambassador B.N. Chaplin, empowered by the Supreme Soviet of the USSR, handed to Chairman Nguyen Huu Tho the resolution of the USSR Supreme Soviet on the results of the Soviet-American summit meeting in Geneva and the international situation.

Chairman Nguyen Huu Tho warmly welcomed and expressed full support for the resolution adopted by the Supreme Soviet of the USSR on Nov 27, 1985. He said that the results of the Soviet-American Geneva summit reflected the successes of the forces of peace, democracy and social progress in the world.

Nguyen Huu Tho acclaimed the principled stance and goodwill proposals of the Soviet Union aimed at warding off the danger of nuclear war and stopping the arms race in outer space. He reaffirmed that the National Assembly and the people of Vietnam would do their utmost to actively [words indistinct] the [words indistinct] atmosphere of fraternal friendship.

SCIENTIFIC COOPERATION WITH USSR PROMOTED

OW031949 Hanoi VNA in English 1632 GMT 3 Dec 85

[Text] Hanoi VNA Dec 3 -- The 11th session on the subcommittee for scientific and technical cooperation between Vietnam and the Soviet Union was held here on December 2 and 3. The Vietnamese delegation was led by Le Qui An, vice chairman of the Vietnam Committee for Science and Technology, and the Soviet Delegation, by V.A. Daria, vice-president of the Soviet subcommittee.

In the coming five years (1986-90) Vietnam and the Soviet Union will broaden their cooperation on the basis of the long-term scientific and technical cooperation programme between the two governments, especially in the general subjects under the programme already adopted by the council of economic mutual assistance up to the year 2000, with special emphasis on the effectiveness of the cooperation.

While here, the Soviet delegation was cordially received by Vice-Chairman of the Council of Ministers Vo Nguyen Giap. Present at the reception were Dang Huu and Le Qui An respectively president and vice president of the Vietnam Committee for Science and technology, and Nguyen Van Huong, deputy director of the office of the Council of Ministers.

TRUONG CHINH, OTHERS WELCOME LE DUAN DELEGATION

OW031925 Hanoi VNA in English 1649 GMT 3 Dec 85

[Text] Hanoi VNA Dec 3 -- The high-level party and state delegation of Vietnam led by Le Duan, general secretary of the Communist Party of Vietnam Central Committee, returned here today after attending the 10th anniversary of Laos's National Day. It was welcomed by Truong Chinh, Political Bureau member of the Communist Party of Vietnam Central Committee and president of the State Council; Pham Van Dong, Political Bureau member of the CPV CC and chairman of the Council of Ministers; Nguyen Huu Tho, chairman of the National Assembly; Pham Hung, Van Tien Dung, Chu Huy Man, To Huu, Nguyen Duc Tam, Nguyen Co Thach, and other senior officials. Lao Ambassador Khampheun Tounalom was also present.

HOANG TUNG RECEIVES LAO FRIENDSHIP DELEGATION

OW032004 Hanoi VNA in English 1624 GMT 3 Dec 85

[Text] Hanoi VNA Dec. 2 [date as received] -- Hoang Tung, secretary of the Communist Party of Vietnam Central Committee, on Dec. 2 received a delegation of the Laos-Vietnam Friendship Association led by Ounheuan Phounsa-vath, its vice president, which has come for the celebration of the "Vietnam-Laos Friendship Month" and the 10th National Day of the Lao People's Democratic Republic.

With Hoang Tung was Hoang Truong Minh, member of the C.P.V. Central Committee and president of the Vietnam-Laos Friendship Association. Hoang Tung warmly welcomed the great achievements recorded by the Lao people under the clear-sighted leadership of the Lao People's Revolutionary Party in the past 10 years, and exalted the militant solidarity, special friendship and comprehensive cooperation between Vietnam, Laos and Kampuchea.

TRUONG CHINH ATTENDS LAO ENVOY'S RECEPTION

BK040321 Hanoi International Service in English 1000 GMT 3 Dec 85

[Text] Lao Ambassador to Vietnam Khampheun Tounalom gave a reception on Monday evening [2 December] in honor of the Lao 10th National Day. President of the State Council Truong Chinh and other Vietnamese leaders were present at the reception.

HOANG TRUONG MINH PRAISES LPDR ACHIEVEMENTS

OW011049 Hanoi Domestic Service in Vietnamese 1100 GMT 30 Nov 85

[Text] Dear Friends: On the afternoon of 30 November 1985, the Vietnam Fatherland Front Central Committee, the Vietnam Committee for Solidarity and Friendship with Other People, the Vietnam-Laos Friendship Association, and the Hanoi Municipal Party Committee and People's Committee held a ceremonious meeting at the Ba Dinh Conference Hall in Hanoi to celebrate the 10th anniversary of the National Day of the Lao People's Democratic Republic [LPDR], 2 December 1975 to 2 December 1985.

Present at the meeting were representatives of the CPV Central Committee, the National Assembly, the Council of Ministers, the VFF Central Committee, the Vietnam Committee for Solidarity and Friendship with Other People, the Hanoi Municipal Party Committee and People's Committee, the Ministry of Foreign Affairs, the Ministry of National Defense, the Vietnam Confederation of Trade Unions, the Ho Chi Minh Communist Youth Union, the Vietnam Women's Union, various organs at the center and in Hanoi, and large numbers of Hanoi city's people.

The presidium members included Comrades Pham Van Dong, member of the Political Bureau of the party Central Committee and chairman of the Council of Ministers; Do Muoi, member of the Political Bureau of the party Central Committee and vice chairman of the Council of Ministers; Hoang Tung, secretary of the party Central Committee; and other leaders. Also participating in the presidium were Comrades Khampheun Tounalom, LPDR ambassador extraordinary and plenipotentiary to Vietnam; Sieng Saran, PRK ambassador extraordinary and plenipotentiary to Vietnam; Ouniheuan Phumsavat, vice chairman of the Laos-Vietnam Friendship Association, now on a visit to our country; and members of the Laos-Vietnam Friendship Association delegation.

The meeting began at 1430 sharp. On behalf of the presidium, Comrade Hoang Truong Minh, member of the party Central Committee and chairman of the Vietnam-Laos Friendship Association, delivered a speech.

[Begin Hoang Truong Minh recording] During those days 10 years ago, our people and progressives in the world, witnessed with profound admiration the total victory of the Lao people in their concerted uprising to liberate Laos from the colonialist and imperialist domination which lasted nearly a century, abolish the outmoded feudalism regime, and found the LPDR. This grand historical event ushered in the new era of a peaceful, independent, and unified socialist Laos.

Today, on this grand day and with boundless joy, we convey to the people and Armed Forces of fraternal Laos our warmest sentiments and finest congratulations. Over the past 10 years, under the correct and clear-sighted leadership of the Lao People's Revolutionary Party headed by beloved Comrade General Secretary Kaysone Phomvihane, the Lao people, upholding their tradition of valiant struggle and creative labor, have achieved great, comprehensive, and steady successes. They have unceasingly countered the hostile policy of the international reactionary forces and their henchmen who have been waging their multifaceted war of sabotage and psychological warfare, exerting military pressure from outside, and causing rebellion inside Laos with a view to weakening and overthrowing the Lao revolutionary administration. But the Lao people, upholding their iron-like determination and intensifying their solidarity, have frustrated all schemes and sabotage activities of the enemies and firmly protected their country's independence, sovereignty, and peaceful labor. [applause] [end recording]

After dealing with the process of the revolutionary struggle and growth of the Lao party and people, Comrade Hoang Truong Minh pointed out the Lao people's economic and cultural achievements over the past 10 years. Proceeding from a backward and self-sufficient economy affected by the consequences of 30 years of devastating war, the Lao people have made extraordinary efforts to achieve remarkable successes in building their economy and culture and a decent, happy life. Lao industry, which was formerly poor, now occupies an important position in the country's national economy in which state-run enterprises have achieved more than 80 percent of the industrial gross output and begun to apply the socialist system of accounting and trade business. Many sectors have increased their output. The electricity sector has increased its output by 2.7 times, the wood processing sector by 7.5 times, the chemicals sector by 7.2 times, and so forth. Laos' backward nomadic agriculture has been quickly transformed in the socialist direction, with a paddy output increasing by 2.5 times and a double paddy production volume, thereby ensuring grain sufficiency in the entire country.

The cooperativization movement has attracted more than 50 percent of farm households. Laos' socialist cultural and educational systems have taken shape and are developing vigorously. Illiteracy has been basically eradicated. Laos' modern network of national education to the college levels, has developed rapidly. Its wholesome national literature and arts have developed widely. Its public health network has taken shape from the central to the hamlet levels. Its communications and transportation network to the hamlet levels. Its communications and transportation network from the urban to the rural areas has been built and increasingly consolidated. The LPDR's prestige on the international arena has been heightened.

Regarding the long-standing relations and unshakable solidarity between the Vietnamese and Lao peoples, Comrade Hoang Truong Minh said:

[Begin Hoang Truong Minh recording] Continuing the glorious tradition of the Indo-chinese Communist Party over the past several decades, the parties and peoples of our two countries have constantly consolidated and strengthened the special relations of militant solidarity between Vietnam and Laos toilsomely cultivated by President Ho Chi Minh. We are very proud and glad to realize that the relations between our two parties and countries, despite untold hardships, have been forged and strengthened and have remained as healthful as before.

In the current new stage of the revolution, these relations have developed further in all aspects and in a profound and better way. This is a factor ensuring the success for our two countries in socialist construction and national defense. Our Vietnamese party and people pledge to try their best to strengthen and develop Vietnamese-Lao relations so they will always remain as a precious stone and valuable heritage for the two nations, from generation to generation. Our Vietnamese people are deeply conscious that any of their victories in the struggle against the common aggressors and any of their achievements in national construction have been linked to the special Vietnamese-Lao relations and to the valuable support and assistance of the fraternal people of Laos. On this occasion, from the bottom of our hearts, may we convey to the party and people of heroic Laos our sincere and deepest thanks. [applause] [end recording]

In his reply, after expressing his sincere and profound thanks to the party, state, and people of Vietnam, Comrade Ouniheuan Phumsavat stressed that the long-standing solidarity and friendship between the Lao and Vietnamese peoples had been unshakable. He said:

[Begin Ouniheuan Phumsavat recording in Lao fading into Vietnamese translation] Dear friends: When we look back at our great solidarity, we always think of President Ho Chi Minh, the first to lay the foundation of Lao-Vietnamese friendship. We always remember the following immortal verses he wrote: As we love each other, we can climb all mountains and cross all rivers and passes. The love between our two Vietnamese and Lao countries is as deep as the water of the Mekong River.

Comrade Kaysone Phomvihan, general secretary of the LPRP, made the following observation on the special, pure, and noble relations of solidarity and friendship between Laos and Vietnam: In the history of the world revolution, there are many brilliant examples of proletarian spirit. But nowhere can we find such a lasting, overall, and special militant alliance, which has remained always pure over the past 30 years. This is an objective truth and the law of development of the revolution of each of our countries. For this reason, our Lao people consider the Lao-Vietnamese relations of solidarity and friendship a valuable heritage bequeathed by President Ho Chi Minh. We must continue to cultivate these relations and preserve their purity and steadiness. [applause] [end recording]

The speech by Comrade Ouniheuan Phumsavat then pointed out the overall achievements scored by the Lao people over the past years under the LPRP's leadership. Dealing with the relations and militant solidarity among the three Indochinese countries, he said.

[Begin Ouniheuan Phumsavat recording in Lao fading into Vietnamese translation] While working hard and diligently to heal the wounds of war and build a new decent, happy life, the Vietnamese people have to cope with the brutal armed aggression waged by the expansionists and hegemonists and the Khmer reactionaries in collusion with the U.S. imperialists on the northern and southeastern borders. The Vietnamese people have checked their dangerous and foolish adventure in the protection of Vietnam's national independence, sovereignty, and territorial integrity, thus ensuring their peaceful life and national construction while greatly contributing to saving millions of people of fraternal Cambodia from the genocidal disaster caused by the Pol Pot-Ieng Sary-Khieu Samphan clique, enabling the Cambodian people to achieve a revival and control their country and their destiny, making the three Indochinese countries a unified bloc in the advance along the bright socialist path, and creating a new mutual-support position for the three countries and a new strength in the protection of the bastion of the socialist system in this region. [applause] [end recording] The meeting ended with the playing of the Internationale.

ARMY PAPER CARRIES LAO DEFENSE MINISTER ARTICLE

OW291417 Hanoi VNA in English 0725 GMT 29 Nov 85

[Text] Hanoi VNA Nov. 28 -- The following are excerpts from an article written by General Khamtai Siphandon, Political Bureau member of the Lao People's Revolutionary Party, vice chairman of the Council of Ministers, minister of defence and supreme commander of the Lao People's Army, for the QUAN DOI NHAN DAN (PEOPLE'S ARMY) review on the occasion of the 10th National Day of the Lao People's Democratic Republic:

In December this year, the entire party, people and Army of our country will jubilantly celebrate the 10th anniversary of the complete success of the revolution for national liberation leading to the birth of the Lao People's Democratic Republic (Dec. 2, 1975).

After 1975, the Lao revolution moved straight to the period of transition to socialism in the context of a complicated situation at home and in the world. In its position as an outpost of socialism in Southeast Asia, the Lao revolution is directly confronting Chinese expansionism and hegemonism allied to U.S. imperialism and other reactionary forces to block, push back and eventually abolish socialism in this region. In their strategy against the socialist revolution in the Indochinese countries, they regard Laos as an important link at which they are directing their counterattack in all fields and by all means and methods, including the most perfidious underhand methods. We are building the country in the midst of special difficulties due to the low economic and cultural standard and also to the heavy consequences of thirty years of war of aggression by the imperialists, old-type and new-type colonialists.

Under such circumstances, the Lao People's Revolutionary Party's decision to take the revolution directly to the socialist line immediately after the success in 1975 is a very judicious one. The defining, from the beginning, of the two strategic tasks, namely to defend the homeland and build socialism, is also very accurate.

After the victory in 1975, the people of all nationalities in Laos have only one earnest desire, that is to concentrate their efforts on rebuilding the country in peace, friendship and cooperation with all nations, firstly with neighbouring countries. But on the northern and western borders of our country, the Chinese expansionists and hegemonists, the U.S. imperialists, the Thai rightist militarists, together with other international reactionaries have banded together and mounted a vicious campaign against the Lao revolution.

Under their "post-war plan" which in fact began deployment in 1973, they have tried by every means to regroup and re-arm the thousands of members of the Vang Pao "special force" left behind by the United States and started building counter-revolutionary bases on Lao territory and rallied the Lao exiles in Thailand and China to filter back and join hands with the remnants of the former puppet army and police who have been operating clandestinely in the country. The Chinese expansionists and hegemonists have sent "friendship" teams to strategic places in Laos in preparation for ambitious plans of subversion. They have been trying to break the unity of the Lao people, buy off cadres and party members, sabotage the economy and culture, and cause maximum insecurity at the grassroots level. They combine sabotage from inside with increased military pressure from outside in an attempt to overthrow the new regime.

With a firm grasp of the party's strategic offensive guideline and the defence and security task, the Lao Army and people have adroitly but firmly dealt with all kinds of enemy, broken their plans and won important successes, defeating the United States' extremely dangerous "post-war plan" and driving the expansionist forces out of the country. They have also dismantled many important military bases of the reactionaries

in the mountain areas and aborted their subversive plans in the major towns, made timely ripostes to the hundreds of military provocations and land-grabbing attacks, especially at the three hamlets in Sayaboury Province which were illegally occupied by Thailand, put out of action tens of thousands of enemy troops and agents and discovered in time and nipped in the bud the enemy's "hermit tactic" of bringing down the revolutionary power through corruption and bribery.

These successes have strengthened the security situation, enhanced the defence capabilities at the border and firmly defended the revolutionary gains. The new regime has continued to develop steadily under the care and trust of Laotians of all nationalities.

This is first of all a success of the defence policy of the Lao People's Revolutionary Party which consists in mobilizing the entire population in an all-round defence and security program. These achievements are indissolubly lined with the success in consolidating and reinforcing the strategic and militant alliance between Laos, Vietnam and Kampuchea, with the alliance and all-round cooperation with the Soviet Union and other socialist countries.

Firmly grasping the party's line of international solidarity, the Lao Armed Forces and people have unceasingly strengthened their all-round cooperation with the other two nations on the Indochinese peninsula, considering this a life-and-death matter of the Lao revolution as well as the revolution of all the three Indochinese countries. This alliance is the mainstay, the source of strength for the Lao people and Armed Forces to obtain new achievements. In return, the great successes obtained by the Lao people and Armed Forces over the past ten years are important contributions to strengthening the strategic and militant alliance of the three countries. At present, the special cooperation between Laos and Vietnam as well as between the three Indochinese countries and the cooperation between Laos and the Soviet Union and other fraternal countries have advanced to a higher stage and permeated all aspects of life, creating new conditions for the development of the Lao revolution. The Lao people and Armed Forces will forever remember the services of the Vietnamese people and Armed Forces, their loyal comrade-in-arm standing in the same trench against imperialism, hegemonism and expansionism, who is also standing beside the Kampuchean Revolutionary Army and people in the defence of the outpost of socialism in Southeast Asia. We also engrave in our hearts the great services rendered to Laos by the Soviet Union, the main pillar of world peace and revolution and by other socialist countries who have been helping us in the noble spirit of internationalism.

VAN TIEN DUNG GREET'S CUBAN ARMED FORCES DAY

OW031201 Hanoi VNA in English 0822 GMT 3 Dec 85

[Text] Hanoi VNA Dec. 2 -- General Van Tien Dung, minister of national defence, has sent a message to General Raul Castro Ruz, Cuban minister of Revolutionary Armed Forces, warmly greeting the 29th anniversary of the Cuban Revolutionary Armed Forces (Dec. 2). In his message, General Van Tien Dung extolled the rapid growth of the Cuban Armed Forces over the past 29 years under the leadership of the Communist Party of Cuba headed by esteemed Comrade Fidel Castro Ruz. He said:

"The Cuban Armed Forces, promoting its tradition of heroic struggle, have, together with the entire Cuban people, built socialism and firmly defended their homeland, and discharged their noble internationalist duty, thus setting a bright example for other nations in the world.

"The Vietnam People's Army is very proud of having the Cuban Revolutionary Army as its brother and loyal comrade-in-arms, who has stood shoulders to shoulders with the Vietnamese Army and people in the common struggle against the U.S. imperialists and other reactionary forces for peace, national independence, democracy and social progress".

General Van Tien Dung reaffirmed the entire Vietnamese officers and men's militant solidarity and strong support for the Cuban revolution. He wished the fraternal Cuban Armed forces still greater success in safeguarding the Cuban people's revolutionary gains peaceful labour. [as received]

"May the militant solidarity and fraternal cooperation between the two Armed Forces be further strengthened and developed", the message added.

AUSTRALIATALKS ON NUCLEAR BAN HELD WITH NEW ZEALAND

HK040448 Hong Kong AFP in English 0439 GMT 4 Dec 85

[Text] Canberra, Dec 4 (AFP) -- Top-level officials from New Zealand and Australia met for an hour today but made no apparent progress in resolving their dispute over Wellington's refusal to allow visits by nuclear warships.

New Zealand Deputy Prime Minister Geoffrey Palmer told journalists that his discussion with Australian Foreign Minister Bill Hayden focused on pending legislation to codify his country's non-nuclear policies. Wellington's ban on visits by U.S. nuclear-armed or nuclear-powered warships sparked a row with Washington that has virtually paralyzed the 34-year-old ANZUS alliance linking the two countries with Australia.

Mr Palmer gave Mr Hayden a copy of the bill, which is expected to be introduced in the New Zealand parliament later this month and become law by March. Mr Hayden said today that the Australian government wanted to study the legislation and see the U.S. reaction before making any detailed comment. But he added, "We have always made it clear that our preference is for no such legislation."

Australia allows the United States access to its harbours and airfields, considering this essential to the ANZUS alliance in the South Pacific.

Mr Palmer said New Zealand policy was not directed against the ANZUS treaty or the United States but against nuclear weapons. "We understand that the Australian government disagrees with our policy," said Mr Palmer, who is to confer tomorrow with Australian Defense Minister Kim Beazley and Resources Minister Gareth Evans.

Palmer Sure Anzus Will Survive

BK040909 Melbourne Overseas Service in English 0830 GMT 4 Dec 85

[Excerpt] New Zealand's deputy prime minister, Mr Palmer, has said he doubts whether his government's planned legislation to ban visits by nuclear ships will mean the end of the ANZUS defense treaty. Mr Palmer is in Canberra to brief the foreign affairs minister, Mr Hayden, on New Zealand's plan to legislate against nuclear visits.

After a meeting with Mr Hayden, the deputy prime minister said there had been some changes to the draft bill since it was originally proposed and he now thought the United States might reconsider their hardline attitude to the legislation. The United States has said the proposed law will make the ANZUS defense pact with New Zealand and Australia impossible.

A confidential copy of the draft legislation was to have been given to the American Embassy in Wellington today. Mr Palmer said he thought the ANZUS alliance could survive despite New Zealand having such a law.

Mr Hayden said after today's meeting that Australia remained opposed to the planned legislation by New Zealand, but his government would wait for an American response before commenting on the draft bill in detail.

HAYDEN CONCERNED ABOUT PHILIPPINE RELATIONS

BK021318 Hong Kong AFP in English 1029 GMT 2 Dec 85

[By David Barnett]

[Text] Canberra, Dec 2 (AFP) -- Foreign Minister Bill Hayden reacted coolly to the deterioration in Australian-Philippine relations triggered by his comments on the current situation in the Philippines, government officials said here today. The Manila government has informed the United States that its Clark Air Base in the Philippines can no longer be used by Australian aircraft following Mr Hayden's remarks in Parliament last week.

Australian officials said today that the Royal Australian Air Force has used Clark only twice in the past three years, once this year and once in 1983. On both occasions it was during joint air force training exercises with the U.S. involving minor Philippine participation.

A spokesman for Mr Hayden said, "We are surprised that Australia's national use of Clark Air Base has been withdrawn in view of the close relations that exist between the peoples of our two countries."

Mr Hayden said in a foreign policy statement to Parliament on Tuesday that the Australian Government was concerned about the deteriorating situation in the Philippines. He said the Marcos government faced severe economic dislocation and "widespread and understandable dissatisfaction" with its political and economic record. Mr Hayden told Parliament, "human rights abuses by some organs of the government and excessive economic injustice ... have provided fertile ground for the growth of insurgency which now constitutes a serious challenge."

The Philippine Government described Mr Hayden's words as insulting, unfriendly and hostile and asked for them to be deleted from the parliamentary record on the grounds that the language used was unparliamentary.

Political analysts said the language was the harshest ever used by an Australian Government minister about the Philippines and marked a new phase in bilateral relations. The analysts added that the use today of the term "peoples" rather than "governments" in the official Australian reaction to the Clark Air Base decision was a calculated restatement of their relationship.

The deterioration of Australian-Philippines relations is expected to be marked by decline in the volume of Australian development aid to the Philippines, which has been running at about 21 million Australian dollars (over 14 million U.S.) a year, analysts said. Australia also provides military aid to the Philippines worth 1.5 million Australian dollars (over one million U.S.) this year.

NEW ZEALANDLANGE DECRIES U.S. STANCE ON ANTI-NUCLEAR BILL

HK030445 Auckland THE NEW ZEALAND HERALD in English 26 Nov 85 p 24

[By Wellington Political Editor Tony Verdon]

[Text] The Government is preparing for a diplomatic onslaught from the United States as its anti-nuclear legislation triggers a tense new phase in the Anzus Pact row.

A flat refusal by the United States Government to look at new changes in the proposed legislation is seen in Wellington as firm evidence that a compromise is now less likely than ever. Government officials believe the level of rhetoric from Washington will continue to rise and that the relationship between the United States and New Zealand will become even more strained.

With neither side in the argument giving ground after more than 12 months of serious negotiation, it appears that the long-awaited showdown over the issue is imminent. This is in spite of repeated expressions of optimism by the Prime Minister, Mr Lange, since his visit to the United States just over a month ago, during which he detected encouraging signs that the Reagan Administration was still prepared to try to talk through the issue.

Dashed

An Assistant Secretary of State, Mr Paul Wolfowitz, indicated a willingness to continue talking about the legislation, which will enshrine in law a ban on visits by nuclear-armed and powered warships. But it appears that any effort on Mr Wolfowitz's part to persuade others in the Reagan Administration to continue the negotiations has failed.

Mr Lange's hopes of keeping the talks alive were dashed at the weekend when another senior State Department official, Mr James Lilley, said the United States saw no value in receiving an envoy from New Zealand with the draft legislation. This indicates that the United States Government has decided to continue applying pressure on its New Zealand counterpart to back off the anti-nuclear legislation.

Unacceptable

The Americans see any legislation enshrining the ban on port visits as unacceptable, even though Mr Lange and his colleagues say it would not compromise the American policy of neither confirming nor denying the presence of nuclear weapons on board American vessels.

In spite of the hard line being taken by the United States, Mr Lange confirmed yesterday that the Government will press ahead with introducing the legislation early next month. He reacted bitterly to the American decision to reject an invitation to see the legislation before it is introduced to Parliament. "I think the spirit of Geneva lasted about 24 hours when it came to an ally -- I hope it lasts longer with their friends in Russia," he said after the weekly cabinet meeting yesterday.

President Reagan had been praised for his pledge to keep talking to the Russians "but when it comes to New Zealand the United States will not even discuss issues of moment between us," added Mr Lange. He again emphasised the wide-ranging nature of the relationship between New Zealand and the United States, saying it involved many aspects of the two nations' lives -- and more than just Anzus.

The legislation to be introduced in about a fortnight would not include a set system of verification of whether or not ships were nuclear-armed.

Break Unlikely

While Mr Lange refused to outline in detail what changes have been made to the legislation, it is understood it will not include any procedures by which the Prime Minister and cabinet reach their decisions to admit or reject a vessel.

Officials in Wellington admit the argument has returned to the anti-nuclear policy, as it was bound to do eventually, and that the legislation is just the focus of a much larger problem. They believe the United States will continue to apply increased pressure for a change, but that a termination of Anzus is still unlikely.

The officials still believe the Australian Labour Government would not want to activate the left wing of its party and the anti-nuclear movement generally by entering a formal bilateral defence agreement with the United States. Instead the United States looks set to continue reducing the level of defence cooperation with New Zealand while increasing public pressure on the Government to change its stance.

LANGE DEFINES ISSUE OF ANZUS ROW WITH U.S.

HK030345 Wellington THE EVENING POST in English 28 Nov 85 p 4

[Text] The Anzus row between New Zealand and the United States over nuclear warship visits was not about whether Pacific Security should be maintained but how it should be maintained, the Prime Minister, Mr Lange, said yesterday. "I have consistently argued that in itself is common grounds enough for an agreement," he told European parliamentary delegates. Whatever became of the military cooperation between the two countries, all democracies had a continuing interest in the stability of the South Pacific "which must in the end assert itself," he said.

The dispute over nuclear warship visits was essentially about the operational character of Anzus. "That alliance is not the same as Nato (the North Atlantic Treaty Organisation). It has no standing forces, no plans no HQ or command structure. "New Zealand has always seen Anzus as a non-nuclear alliance. We neither ask nor expect to be defended by nuclear weapons. We have, since its inception, made our contribution to Anzus in conventional ways," Mr Lange said. The nuclear element is eliminated from any future calculations about the defence of New Zealand."

Mr Lange said some of the European Parliament MPs might wonder why the Government intended to pursue legislation excluding nuclear weapons from New Zealand. The reason was straightforward -- exclusion of such weapons was critical to New Zealand's security. "It will not be compromised or concealed. As long as the exclusion is not a matter of law, there is room for doubt," Mr Lange said.

Meanwhile, NZPA [New Zealand Press Association] staff correspondent Chris Peters in Sydney reports that Australia this week distanced itself from New Zealand's Anzus stand. In separate moves, Prime Minister Bob Hawke and Foreign Affairs Minister Bill Hayden have reiterated Australia's sideline position in the Anzus row, declined to condemn the U.S. refusal to accept a personal New Zealand briefing on its anti-nuclear legislation, and insisted Australia's relations with the U.S. remained unchanged. With New Zealand Deputy Prime Minister Geoffrey Palmer due in Canberra next week with a copy of the draft nuclear-ban legislation, the Australian moves ensure he will get a polite hearing but little in the way of encouragement.

STAND ON ANTINUCLEAR LEGISLATION VIEWED

BK291040 Melbourne Overseas Service in English 0710 GMT 29 Nov 85

[From the "International Report," moderated by Andrea McCloughlan]

[Text] Members of the New Zealand Labor Government have agreed to legislation designed to enforce the country's ban on nuclear-powered or nuclear-capable ships entering its ports.

The antinuclear bill has been subject to changes to try and meet objections from the United States while still banning nuclear ships. But as Brendon Barnes reports from Wellington, the legislation is still likely to offend the United States.

[Begin recording] [Barnes] The attempt by New Zealand to find a way out of its freeze in relations with Washington caused by the nuclear ban has been protracted but unproductive. In September, Deputy Prime Minister Geoffrey Palmer went to Washington with details of the proposed legislation which would put on the New Zealand statute books the antinuclear policy already in force. The response of the United States was to give the proposal a cold shoulder.

The compromise put forward has centered around New Zealand defense and intelligence officials making an assessment of any navy ship seeking a visit to decide if it was nuclear-armed. If the finding was that the ship could be carrying nuclear weapons, it would be banned. Americans say this amounted to a breach of its policy of neither confirming nor denying the presence of such weapons on any ships. Since then the proposed legislation has been modified. Prime Minister David Lange is not yet fully spelling out what the legislation now includes, but he says it will not involve advice from intelligence and defense officials on whether a ship is nuclear-armed or not. But he says he will still take decisions on whether a ship seeking access is likely to contravene the antinuclear legislation -- decisions which he says he will still have to answer for.

[Lange] We are not going to be talking on the basis of [words indistinct] received direct from any person that United States might consider to have an access to specific intelligence relating to their vessels or aircraft. But as you know, [words indistinct] to questions relating to the substance behind decisions which I made and to verification in support of the things that I do, and I am certain that with respect to visits or proposed visits by ships or aircraft which could be carrying nuclear explosive devices I will be subjecting them to exactly the same inquisition.

[Barnes] Despite the removal of defense and intelligence input into the decision making process about any ship visit, Mr Lange has managed to get his MP's, some of whom are very hardliners on antinuclear matters, to agree to the legislation.

[Lange] There has been no contention [words indistinct] because, you see, as far as I am concerned, and as you will later discover, there are safeguards.

[Barnes] So the legislation to be introduced to the New Zealand parliament within a fortnight will ban all nuclear ship visits, but not quite all. International maritime law means Cook Strait, which separates the North and South Islands of New Zealand, will have to accept passage by nuclear-armed or -powered ships and such ships in distress would under certain conditions be able to call at New Zealand ports.

In content and purpose, the new law will ban nuclear-equipped and -powered ships from making visits here. That would formally take New Zealand's antinuclear stand well beyond that of the South Pacific Forum's nuclear-free zone treaty, which only bans having bases for storing or testing such weapons. It also reinforces the difference in stands between the Lange and the Hawke Australian Government over nuclear ship visits and whether the ANZUS alliance with the United States means such visits must be allowed without question. And it seems very unlikely Washington will respond with any more enthusiasm to the proposed legislation than it has done in the past. [end recording]

PROTESTORS DENOUNCE AQUINO VERDICT IN MARCHES

HK031435 Hong Kong AFP in English 1411 GMT 3 Dec 85

[Excerpts] Manila, Dec 3 (AFP) -- Thousands of residents today raised a barrage of noise in parts of the capital to protest the acquittal of Armed Forces chief General Fabian Ver and 25 others accused of opposition leader Benigno Aquino's murder. Protesters chanted slogans, exploded firecrackers and sounded car horns to make a huge din in response to a call by the radical alliance Bayan.

Moderate opposition groups joined the protesters in denouncing the controversial verdict delivered by the trial court yesterday. The radicals' red flags and the moderates' yellow banners fluttered side by side as the previously estranged groups found common cause once more.

Small barricades were put up and old tires were set afire by youngsters in Manila's busy Espana Avenue. Students stoned a fire truck that was dousing the burning tires, forcing the firemen to retreat.

Bayan officials said that two protesters had been arrested in the Manila suburb of Malabon, but this could not be directly confirmed. Police were placed on full alert in Metropolitan Manila for today's protest, official sources said. In the Cubao commercial district, some protesters occupied the center of a thoroughfare and danced merrily as companions raised placards saying "Ver innocent? Bullshit." And chanted "Marcos, Hitler, dictator, puppy."

Earlier today, Mr Aquino's only son, Benigno Aquino junior, led hundreds of protesters who marched through the financial district of Makati to denounce the verdict. Yellow confetti -- the moderate opposition's symbolic color since the Aquino murder -- rained from high-rise buildings as the estimated 1,000 protesters, who chanted "Marcos, criminal." [as received]

The Aquino family holds the president directly responsible for the murder, which the trial court blamed on communist insurgents. The court rejected the prosecution's case that a military conspiracy was behind the assassination. "The decision only serves to educate our countrymen as to what justice means under Marcos rule," Mr Aquino's son told reporters.

Lupino Lazaro, a lawyer who represented the family of Mr Aquino's alleged communist assassin Rolando Galman and who insists that Mr Galman was a scapegoat, said in turn: "To my mind, this one is a big judicial cover-up." "We can only reopen the case if we get rid of Mr Marcos," he added.

The Philippine Government Remained silent on the verdict.

Radio Report

HK030751 Dagupan City DZDL Radio in Tagalog 0445 GMT 3 Dec 85

[Text] An indignation rally was held yesterday at Mendiola Bridge by some 300 members of various sectors to protest against the Sandiganbayan's verdict on the Aquino case. The demonstrators threatened to hold a series of mass actions to protest the verdict which absolved the 26 accused men of the assassinations of ex-senator Benigno Aquino and Rolando Galman.

Last night a noise barrage was held in Metro Manila. Demonstrators carried placards with the words: Blow your horn if you think Ver is guilty.

The western police district was placed on red alert in the face of more threatened demonstrations. An opposition leader announced that the Sandiganbayan's decision was unacceptable, adding that the nation is shocked by the fact that not one of the 26 accused men will be punished.

During yesterday's demonstration, police and military units prevented protesters from crossing Mendiola Bridge by setting up barricades. The demonstrators held a rally on the site. There were no injuries reported.

50 SENIOR OFFICERS RETIRED; ACCUSED REINSTATED

HK040423 Manila Far East Broadcasting Company in English 2300 GMT 3 Dec 85

[Text] Fifty senior military officers, including many generals, will be retired or reassigned, and the military build-up will continue in the reorganization of the Armed Forces. This was announced by President Marcos yesterday [3 December] following a meeting with AFP [Armed Forces of the Philippines] chief of staff General Fabian Ver and a board of military officers. To avoid disruption of military functions, President Marcos said the replacements for the retirees will first be considered under the revamp. He also announced that the military build-up will continue with the deployment of six new ranger trained battalions next year in addition to the five operational battalions fielded recently.

In another move, the president yesterday ordered the return to their mother units of the 24 military personnel who were acquitted by the Sandiganbayan Monday at the Aquino-Galman double murder case. The order for their return followed the president's reinstatement of Gen Ver as AFP chief of staff. Among those ordered back to their mother units were Brigadier General Luther Custodio, Avsecom [Aviation Security Command] commander; Colonel Arturo Custodio of the Philippine Air Force; and Colonel Vicente Tigas Jr, assigned with the Presidential Security Command. Earlier, the Sandiganbayan also ordered the release of the 23 accused from the custody of their commanding officers.

[Hong Kong AFP in English at 0859 GMT on 3 December, in a report on the reinstatement of the 24 military personnel, notes that "Constable Rogelio Moreno, named by state prosecutors as the triggerman," was among those reinstated.]

VER NAMES CHANGES IN KEY MILITARY POSTS

HK031509 Hong Kong AFP in English 1459 GMT 3 Dec 85

[Excerpt] Manila, Dec 3 (AFP) -- General Fabian Ver today announced changes in key military posts, one day after being acquitted of murdering opposition leader Benigno Aquino's murder [as received] and reinstated as chief of staff, the PHILIPPINE NEWS AGENCY (PNA) said. The official news agency said Gen. Ver, named by President Ferdinand Marcos to head a board that will determine officers to be retired, promoted or reassigned, disclosed the new assignments of 12 key officers, including a three-star general.

The highest-ranking officer involved in the changes was Major General Delfin Castro, commander of all military forces in the violence-torn southern island of Mindanao. His concurrent post as commander of a Mindanao region was given to Brigadier General Jose Magno, who was pulled out of the main island of Luzon.

PNA said Gen Ver announced changes in 20 provincial commands but did not go into detail. The presidential palace could not immediately confirm the report, while military spokesmen were not available for comment.

RAMOS SAYS REVAMP MAY BE MILITARY'S 'LAST CHANCE'

HK040245 Hong Kong AFP in English 0225 GMT 4 Dec 85

[Text] Manila, Dec 4 (AFP) -- Deputy Armed Forces Chief of Staff Lieutenant General Fidel Ramos has said a revamp of the military could be its last chance to put itself back in shape and restore its creditability, a spokesman said today. Lieutenant General Ramos served as acting chief of staff until General Fabian Ver was reinstated Monday following his acquittal in the murder of opposition leader Benigno Aquino.

Lt Gen Ramos told a forum yesterday that the Armed Forces had been "given a unique opportunity to cleanse and heal itself," referring to Gen Ver's acquittal and the military revamp, spokesman Colonel Reynaldo San Gabriel said. He cited Lt Gen Ramos as saying that the military should "enhance its credibility, improve discipline and morale, strengthen its operational effectiveness and teamwork." "We may not get another chance," Lt Gen Ramos reportedly added.

President Ferdinand Marcos yesterday announced he would retire or reassign some 50 senior officers and create six new combat battalions as part of a military revamp aimed at improving counter-insurgency efforts. The 68-year-old chief executive later appointed Gen Ver to head a board that will determine officers to be retired, promoted or reassigned.

PAPER DETAILS BILLS SIGNED BY MARCOS

HK031445 Manila TIMES JOURNAL in English 3 Dec 85 pp 1, 2

[Text] The holding of a snap presidential and vice presidential election next year was officially declared at 1 o'clock this morning as President Marcos signed into law Cabinet Bill No. 7 passed by the Batasang Pambansa which sets the date for such poll on Feb 7. But the last hitch still has to be hurdled. Members of the opposition in the Batasan and maverick KBL member Arturo Tolentino had indicated that they might contest the constitutionality of the bill before the Supreme Court. The oppositors believe the snap election is unconstitutional unless the President resigns.

Also signed into law by the President last night were the Omnibus Election Code of the Philippines, a measure creating a Presidential Electoral Tribunal, the presidential succession bill, and the bill creating the province Negros del Norte.

The snap election measure has these salient features:

- Candidates for president and vice president must file their certificates of candidacy not later than Dec 11, and political parties, coalitions and other similar groups or organizations must submit to the Commission on Elections [Comelec] a certificate of nomination of their respective official candidates not later than Dec 21.
- The campaign period shall be from Dec 11, 1985 to Feb 5, 1986.
- The Board of Election Inspectors in polling places determined by the Commission on Elections will set Dec 21 and 28, 1985 to receive and act on applications for registration of new qualified voters. The registration will be from 7 a.m. to 4 p.m.
- The Board of Election Inspectors must meet on Jan 15, 1986 to decide on inclusion, exclusion and correction in the registration list.
- Candidates and their respective political parties will be given up to Jan 31, 1986 to file inclusion or exclusion proceedings.
- Proclamations of the winners in the special election must be made within 15 session days from the day the Batasan starts the canvass unless the delay is for justifiable cause.

- In determining the Dominant Opposition Party [DOP], the bill specifies methods by which the Comelec would determine DOP is more than one opposition party insists that it should be given the election inspectors.
- P22 million was set aside for the election.
- All procedures governing this election and not specified in the Cabinet bill will be covered by the Omnibus Election Code of the Philippines.

The Omnibus Election Code introduces electoral reforms which drew the support of the opposition during its discussion in the Batasan. Among the reforms were safeguards against election frauds and other irregularities, restriction of political turn-coatism and discouraging elected officials from running for other elective positions before the completion of their terms. The court, however, allows a member of a registered political party to change his party one year before an election as long as he is a candidate in that election. Any official whether national or local, running for any office other than the one he is occupying be considered resigned upon filing of their certificates of candidacy.

Parliamentary Bill No. 6732 organizes the Presidential Electoral Tribunal to try and decide electoral protests against the president and vice president. The tribunal is composed of nine members headed by the Chief Justice of the Supreme Court with two other Supreme Court justices, three members from the ruling party and three from the coalesced opposition in the Batasan, as members.

The new law provides that the candidates who win the second and the third highest number of votes in a presidential and vice presidential election are entitled to question the election of president or vice president. The tribunal is required to decide electoral protests within one year from their filing. The declared winners, in such protests are authorized to assume office as soon as the judgment becomes final. Under the new law, the Batasan retains its authority to canvass the votes for president and vice president and to proclaim the victors.

Parliamentary Bill No. 7465, known as the succession law, provides for an orderly succession to the presidency in case of vacancy caused by death, permanent disability, removal from office or resignation of the incumbent. The law provides that after the Feb 7, 1986 election, when a vice president shall have been elected, the order of succession follows:

Vice president, prime minister, speaker of the Batasan, deputy prime minister, speaker protempore, and any regular member of parliament elected by his fellow members with a majority vote.

In the event the vacancy occurs before the election of a vice president, the speaker takes over as acting president until the election of a president and vice president. He is followed in the line of succession by the prime minister, the deputy prime minister and speaker protempore.

Meanwhile, two members of Parliament yesterday said President Marcos has all the chances to win in the coming snap election. MP Arturo Tolentino and MP Rafael Recto, told students of the University of the Philippines in Diliman, Quezon City that there is a big possibility of Marcos getting re-elected. Tolentino stressed that if the opposition remains disunited, the incumbent president has a "fair chance" of winning. Recto agreed with Tolentino, adding that since the President has all the money and other resources like the well-organized KBL, he will probably win the coming snap election.

BAR ASSOCIATION SEEKS SC RULING ON ELECTION

HK040401 Manila Far East Broadcasting Company in English 2300 GMT 3 Dec 85

[Text] The Supreme Court (SC) was asked yesterday [3 December] to rule on the constitutionality of the special presidential election. The request was made by the Philippine Bar Association, 11 opposition members of parliament, 3 private citizens and the LP [Liberal Party] Salonga wing. In their petition for prohibition with preliminary injunction, the petitioners claim that Cabinet Bill No. 7 is unconstitutional as it effectively amends the Constitution. The petitioners contend that the Batasang Pambansa is without authority to call for a special election to fill an imagined vacancy in the president's office.

LAUREL, KALAW JOIN AQUINO IN ELECTION RACE

HK040413 Manila Far East Broadcasting Company in English 2300 GMT 3 Dec 85

[Text] Corazon Aquino, the widow of assassinated former senator Benigno Aquino, said she will run for president in the February 7 election. She made the announcement in a press conference hours after President Marcos signed into law a bill calling for the special presidential election next year. In her statement, Aquino confirmed her willingness to serve the people if elected.

Former senator Salvador Laurel meanwhile denied yesterday [3 December] that he was offered by Mrs Aquino to be her running-mate. He said he will not make any statements until after he can talk to Cory Aquino. Commenting on her candidacy, Laurel said they are now on equal footing. He said Cory's announcement made her a candidate and he, Laurel, is the official Unido [United Nationalist Democratic Organization] bet.

Meanwhile, Liberal Party [LP] Kalaw Faction leader and member of parliament Eva Estrada Kalaw is also determined to run for the presidency in the special elections. She announced yesterday her availability as an alternative to the declared opposition candidates, Mrs Cory Aquino and Salvador Laurel. Kalaw said both Aquino and Laurel are supported by vested interests. She said the executive committee of the LP wing which she heads will meet today to confirm her candidacy for president.

MRS AQUINO WILLING TO DEBATE MARCOS ON TV

HK041232 Hong Kong AFP in English 1153 GMT 4 Dec 85

[By Teodoro Benigno]

[Excerpts] Manila, Dec 4 (AFP) -- Philippine presidential candidate Corazon Aquino today said she was willing to meet President Ferdinand Marcos to discuss national problems on television.

In her first interview with an international news agency since declaring her candidacy yesterday, Mrs Aquino told AGENCE FRANCE-PRESSE that she would be interested in a meeting only if it were "in full view of the Filipino people" through "live television" with the international media present. The widow of murdered opposition leader Benigno Aquino stressed that the invitation for such a meeting should come from the president. She also said she hoped Mr Marcos would step down after ruling for 20 years. She added that if she and Mr Marcos "are both sincere in meeting with each other, then there is nothing to be afraid of."

"I want to be an optimist," she said, "and in fact Ninoy (her husband's nickname) used to tell me that Marcos will die only after he has done something good for the country. In other words he has made peace with the Filipino people and with God."

Mrs Aquino said she was confident she would win the February 7 snap polls if the elections "are fair and clean." She emphasized she would appeal to the Filipino people to refrain from violent acts during and after the campaign if the Government was found using irregularities to prevent her from winning. On the possibility she could be killed during what could be a savage campaign, Mrs Aquino said "if my time comes, there is nothing I can do about it. I have lived my life according to my principles and beliefs."

She said she would shortly organize a "shadow" cabinet to advise her on major matters, particularly "in matters of finance and law." If she wins, the criteria for any appointment to her cabinet would be "capability and honesty, and I guess it will have to be a mix, both men and women, politicians and non-politicians," she said. Mrs. Aquino's "code of ethics" would bar any member of her immediate family from occupying any important government post and any travel she would undertake as president abroad will be "on a regular commercial airline."

During the 45-minute interview, she refrained from any personal attacks on the president and his wife, Imelda. Regarding her vice-presidential teammate, Mrs Aquino said she was still talking to Salvador Laurel and regretted that he had cancelled their scheduled meeting tonight. Mrs Aquino indicated that she could not wait much longer for Mr Laurel to make up his mind but stopped short of saying she was setting a deadline. Mr. Laurel had earlier confided to some friends he would give way to Mrs Aquino but appeared to have hardened his position, allegedly at the urging of his top advisers, who felt he had better chances of winning than Mrs. Aquino. A movement backing her has gathered more than 1.2 billion [as received] signatures in what many supporters describe as the start of a nationwide groundswell unprecedented in the country. Mrs. Aquino earlier had said she was the "exact opposite" of President Marcos but the onrush of events after her husband's 1983 murder inevitably prompted her to accept a presidential draft.

KBL CONVENTION DEFERRED TO 11 DECEMBER

HK040353 Manila Far East Broadcasting Company in English 2300 GMT 3 Dec 85

[Text] At the KBL camp, President Marcos yesterday [3 December] announced the deferment of the KBL national convention to December 11 from its original December 7 schedule. The convention will still be held at the Manila Hotel. The president said the postponement was decided upon the request of many delegates who said they need more material time to prepare for the convention.

LOPEZ DENIES URGING SUPPORT FOR MARCOS

HK030527 Quezon City ANG PAHAYAGANG MALAYA in English 23 Nov 85 p 4

["Town Crier" Column by Vic Barranco: "Lopez Denies Story"]

[Text] On his return to Manila from a visit in his home province Iloilo during All Saints' Day holidays, former Vice President Fernando H. Lopez was stunned to read reports in two Manila crony newspapers that he had urged the people in a simultaneous radio broadcast in Iloilo City and Bacolod City, to support the government of Ferdinand Marcos.

There had never been any report as outlandish as that in favor of Marcos in the local press. It was published in the METRO MANILA TIMES of Nov 5 (not the TIMES of the Roces family which was closed by Marcos), and in a column the following day, in the DAILY EXPRESS, a newspaper published by Roberto Benedicto.

"Nanding" Lopez, still a political king pin in the massively anti-Marcos sprawling region of Western Visayas, hastened to issue an official denial of the reports. Lopez' terse but strong denial which was published in MALAYA and several other newspapers, showed not only a deliberate trampling of journalistic ethics but proved once again that the Marcos government has totally lost its credibility because of its irresponsible public relations practices, and that the Marcos government, bereft of the people's trust, could no longer refrain from lying and cheating at every turn in its frantic attempts to put up a semblance of good image.

In a statement disclaiming the canard, Vice President Lopez also said: "It is high time to change the people in our government, and for reasons that our country desperately wants a new government. I support the opposition which, I hope, if they win, shall be able to give us efficient and better government, a government truly of the people and for the people."

Lopez arranged a replay of the 30-minute radio interview which was purely in Hiligaynon dialect, before some Visayan mediamen gathered in his office in the Chronicle Bldg., Pasig, Metro Manila. After the replay, he asked, "Have I said anything there about supporting the Marcos administration as reported in METRO TIMES and DAILY EXPRESS?" There was nothing, of course. Lopez just wanted the mediamen with him to be doubly sure that the crony press had twisted his Iloilo-Bacolod radio interview. Moral and journalistic lesson. If the readers want the truth, they should read MALAYA. The greater part of the radio interview was about Vice President Lopez endorsing Corazon (Cory) Aquino for nomination as presidential candidate of the opposition against Marcos in the snap election. Lopez said that Cory Aquino is the rallying point of the people today who are struggling to recover their freedom, their suppressed human rights, and justice from the hands of the unjust; the people who fervently and prayerfully desire to rise from poverty and hunger and destitution due to the practices of undesirable men of selfish, ulterior motives in this government.

MINDANAO COLUMNIST PRESENTS SALONGA INTERVIEW

HK030439 Davao City MINDANAO DAILY MIRROR in English 13 Nov 85 pp 1, 2

["Frankly Speaking" column by Marietta F. Siongco "Tempest in a Teapot"]

[Text] Following are excerpts from an interview with former Senator Jovito Salonga by the local press during his visit in Davao City last Thursday:

Press: Clearly President Marcos is forced to call a snap election because of pressure from the U.S. Government. What can you say about U.S. interference in the internal affairs of the country?

Salonga: Since the turn of the century or in 1898 the United States has been interfering with RP [Republic of the Philippines] affairs, so nothing else is new. But are they interfering for the good of the Filipinos or for their own interests? The U.S. Government alarmed at the growing communist insurgency and the increasing unpopularity of President Marcos wants to stabilize their access to the U.S. bases here, hence they want a return of the democratic processes in the Philippines.

The United States has too much at stake in our country particularly the bases which according to an authoritative American publication has one of the biggest concentrations of nuclear weapons in the Pacific.

Press: If you were in the shoes of Marcos, will you allow foreign interference?

Salonga: You can't borrow \$30 billion from 423 foreign banks and be anything but subservient.

Press: How do you propose to solve the foreign debt problem?

Salonga: The Marcos way is to incur new loans and with these new loans, pay the interest charges and reschedule the terms. Our formula, one tried successfully in South America and recommended by the UP [University of the Philippines] School of Economics is to allocate 10 percent of export earnings for the liquidation of the loans. But the government has no business paying a larger part of the 430 billion foreign debt which went to the pockets of private people. This government should not have guaranteed the loans of cronies and in-laws. If we can prove part of the loans were for the interests of private creditors not the people then these loans can be substantially reduced.

Press: How will you tackle the NPA problem?

Salonga: Some of the NPAs are there due to legitimate grievances, either they were tortured or their female relatives were raped. The only way to tackle the NPA problem is to restore the democratic processes and come to grips with the root causes of the injustices so prevalent in this regime. This problem cannot be solved by killing all the NPAs. Something must be done about the economic and political crisis before the insurgency problem can be licked.

Press: Any comment on your much publicized rift with MP Eva Estrada Kalaw?

Salonga: My reported squabble with Kalaw is so much tempest in a teapot. We had some minor differences which happens in a democratic composition but when the time comes, we will unite in the moment of truth. The KBL appears to be united but it is a regimented unity because the leader is a dictator.

Press: Do you think Laurel will withdraw in favor of Cory?

Salonga: I cannot answer for Laurel. Why don't you invite him over to Davao so he himself can answer that question? Speaking for myself, I will not be an obstacle to Cory if there is an overwhelming draft for her to run and if she comes out in the NUC selection process. On reports that Laurel has a well-oiled machinery, I have been to other places where there are no Unido [United Nationalist Democratic Organization] chapters. I will also state here that on one has a preferential right to the presidency. Anyone can aspire for the presidency.

Press: How strong is the opposition in the coming polls?

Salonga: Only the people can decide that but the opposition will fight it out in any election as long as there are minimum safeguards ensuring clean elections. If the elections are dishonest, it would only accelerate the decline of all democratic institutions.

The Liberal Party (of which Salonga is president of one wing) is involved in a peaceful struggle for reforms; in the event peaceful processes are exhausted, it may have to resort to other means to force changes. For example if your daughter is raped, it is legally right to defend her and to attack the assaulter. The logical implication is that when people are being attacked, these people may resort to force without being violent. In such a case, resort to force is inevitable.

JUSTICE SEES 'OMINOUS' SIGNS OF MARTIAL LAW

HK291445 Hong Kong AFP in English 1437 GMT 29 Nov 85

[Text] Manila, Nov 29 (AFP) -- Senior Supreme Court Associate Justice Claudio Teehankee today said there were "ominous" signs that President Ferdinand Marcos would reimpose martial law in the Philippines. "There are ominous trial balloons for the reimposition of martial law," Justice Teehankee told the Philippine Bar Association here. Mr Marcos declared martial law in 1972 to save the country from what he described as a "communist conspiracy" and lifted it in 1981. Justice Teehankee declined to go into detail, but said: "The trouble with a prolonged martial law regime with the pervasive intervention of the military is that it breaks the ground for a succession of martial law regimes in the future.."

Justice Teehankee, known as a liberal jurist and a critic of Mr Marcos, cited the communist New People's Army guerrillas' "gathering strength in the countryside, fueled by oppression and gross violations of basic rights." "There is a crisis of confidence and credibility not only in the government and its various agencies and instrumentalities but even in the private institutions that are essential to national recovery," he added.

On another matter, Justice Teehankee renewed his criticism of Mr Marcos' Preventive Detention Action (PDA), which empowers the military to arrest dissidents and whose indefinite detention cannot be challenged by courts. "The people cannot understand their constitutional rights seem to be nullified and the military and other law agents can break into their homes or take them at gunpoint without a search or arrest warrant and then days or weeks later secure a PDA," he said. Justice Teehankee said the PDA was "the greatest threat to human freedom and dignity," and cited the case of five human rights lawyers accused of rebellion and currently detained on the strength of PDA's issued by Mr Marcos.

COLUMNIST NOTES GROWTH, STRENGTH OF BAYAN

HK021539 Manila BULLETIN TODAY in English 2 Dec 85 p 6

[Column by Jesus Bigornia: "Bayan Growing Into Strong Political Force"]

[Excerpt] Recruiting almost below the level of public awareness, Bayan has, since the 1983 assassination of opposition leader Benigno Aquino, Jr., a potent political force opposed to the Marcos regime that cannot be taken for granted. Time and again, it has demonstrated its muscle in mass rallies and demonstrations, particularly in urban centers, and even in such far-flung loci of social unrest and discontent as Escalante, Negros Occidental, and the Canlubang Sugar Estate at Calamba, Laguna. To those who think of political struggle only in terms of traditional party lines, Bayan forces are nowhere. But to the observant, they are everywhere. Operating like a secret brotherhood, Bayan feeds and grows on the misery of the masses and on the abuses of the forces of government. Young intellectuals, including disillusioned university students, form the brains of the movement. Working chiefly in the depressed areas of urban centers and in the hinterlands, leaders of the movement carry the message to the masses through "teach-ins" and "seminars."

A card-carrying member is committed to enlisting 10 like-minded Filipinos to the movement every month. To become a full-fledged member, a recruit is required to attend a three-day "seminar" to which he brings his own food and beddings and where he is indoctrinated in the aims and purposes of the party. If nothing is said about communism, the peasants and industrial workers who form the bulk of the recruits are spoon-fed on simplified tenets of socialism, and a deep hatred of the present social order.

While it is not true that all the members of Bayan are communists, they form a pool of potential recruits which the Communist Party of the Philippines (CPP) can draw upon to beef up its command structure. Since the movement scrupulously avoids violence wherever possible and makes no bones about working for political change through parliamentary struggle, government cannot move against it on grounds of subversion. It is also unfortunate that the traditional parties can offer an alternative less radical than Bayan's avowed aims.

To measure Bayan's strength, a political observer must go to Davao City where the movement has gained such strength that it can virtually paralyze a major city at will. A "people's strike" is called over the Bayan grapevine and life in Davao City comes to a standstill. Public transportation ceases abruptly. Markets and shops close up. Since the movement has no "front" men (leaders), and Bayan sets up no barricades, the authorities have no one to arrest. A former Davao resident admits that normal city life only resumes at Bayan's say-so.

NEW ROMUALDEZ NEWS MAGAZINE TO BE PUBLISHED

HK021607 Manila BUSINESS DAY in English 2 Dec 85 p 13

[Text] A new Romualdez publication is scheduled to hit the newsstands next Sunday, thus fueling speculations on a growing campaign for the snap election. According to a source in TIMES JOURNAL, Benjamin "Kokoy" Romualdez wants the magazine to be called TIMES WEEK whose size and format is patterned after TIME and NEWSWEEK.

The go-signal for publication was given late last week but the source said the idea was not a snap decision since it had been floating around for three months. The source claimed that is how decisions are made at TIMES JOURNAL. However, the source agreed that the news magazine slanted towards the administration would be useful in a snap election.

PAPER VIEWS AUSTRALIAN MINISTER'S STATEMENT

HK021051 Manila METRO MANILA TIMES in English 1 Dec 85 p 4

[Editorial: "Foot in Mouth"]

[Text] The blast made by Australia's Foreign Minister Bill Hayden against the Philippines was certainly a case of foot in the mouth, unpardonable in a diplomat, especially the top foreign affairs officer of that country. This is particularly regrettable because of the long history of friendship between Australia and the Philippines, and with the Philippines not at all showing any hostility to that Down Under country.

It is possible that Minister Hayden did not have any ill intentions toward the Philippines. Perhaps his remarks before the Australian Parliament middle of last week would be taken as concern for this friendly country; having taken account of the many things that appear to ail it, and he was merely importuning the leadership to do something positive about these ailments.

The problem was the statement was harsh and arbitrary. It gave the Philippine Government no room at all for responding in an understanding or cordial manner. Apparently, Mr Hayden took for gospel all that he had levelled in an uncompromising manner against the government, and the present administration. Actually, the charges were no more than a rehash of everything that the political opposition here has circulated in an effort to gain political leverage. All these accusations, the opposition has assiduously dinned into the ears of foreign officials, hoping the foes of the present administration would get some kind of help from these countries with some influence in the Philippines for seizing political power. Now all the jazz has reached some of Australia's top officials.

It is true that this country has its troubles. Which country in the world does not have any? ...But these troubles were not all the making of the government. Indeed some of the most serious, especially the economic crises, can be traced to the policies of the affluent nations of the West, particularly those that perpetrate the economic system that has progressively impoverished the already poor nations of the world, including the Philippines, and have all but thrust them into a corner in trying to cope with economic pressures beyond the Third World's control.

It is not true that the insurgency here was the direct result of the alleged failures of the government. Rather the insurgency that the people are helping the government to put down was the handiwork of the Communist Party, in its effort to take over power, a conspiracy that has mainly played on the discontent and the fears of the poor and the ignorant among the people living in the rural areas. This insurgency has not however attained the size and force that the communists had aimed at, and today the government still has the upper hand in all areas of conflict.

Mr Hayden's statement would have fared better if it had not been all black, and had been cognizant of the shades of gray and white in the present condition of the Philippines.

MP DENOUNCES SOLARZ PROPOSAL TO SUSPEND U.S. AID

HK040357 Manila Far East Broadcasting Company in English 2300 GMT 3 Dec 85

[Text] A leading member of the Batasang Pambansa yesterday [3 December] denounced the proposal of a New York congressman to suspend U.S. military aid to the Philippines in the wake of the acquittal of General Fabian Ver in the murder case of Senator Benigno Aquino Jr. Majority floor leader Manuel Garcia said the aid embargo proposal made by Representative Stephen Solarz reflects the latter's obvious prejudices and biases against the government of President Marcos.

STRIKE PARALYZES JUSMAG OPERATIONS 27 NOV

HK290947 Manila BULLETIN TODAY in English 28 Nov 85 pp 1, 24

[Text] The employees' union of the Joint United States Military Advisory Group (JUSMAG) declared a strike yesterday that paralyzed operations in the American military agency. At the same time, the Philippine Labor Alliance Council (PLAC) filed a petition for injunction against JUSMAG before the National Labor Relations Commission on charges of unfair labor practices and unionbusting activities. PLAC President Jacinto Tamayo, who is also president of the Lapiang Manggagawa workers' party (LM) said JUSMAG terminated the service of all employees for organizing a labor union. Tamayo charged the action was a gross violation of Articles 244, 247, and 249 of the Labor Code.

Brig Teddy G. Allen, JUSMAG chief, reportedly had earlier written to Bolinao Security and Services, the agency servicing JUSMAG, that "the operational requirement of JUSMAG necessitates a non-union work force in order to eliminate possible interference with its critical activities."

The JUSMAG union issued a press statement saying that the employees were calling the strike "to articulate and focus the valid demands of the Filipinos that Americans must respect our sovereignty and dignity and treat us as an equal." Pelagia Villegas Jr. LM executive vice president, declared that "JUSMAG's anti-labor posture is a total disgrace to the concept of free and open unionism and does violence to the famous American spirit of democratic labor advocacy which has been adopted the world over by freedom-loving people as their beacon light." "This is the same cause of the damning irritants that continue to threaten Filipino-American special relations brought about by the insistence of the American Government that its military bases and facilities in this country are above the laws of the republic," Villegas said.

Labor Minister Acts

HK300414 Manila BULLETIN TODAY in English 29 Nov 85 pp 1, 17

[By O.S. Giron]

[Text] Labor Minister Blas F. Ople certified to the National Labor Relations Commission (NLRC) yesterday the labor dispute at the Joint United States Military Advisory Group (JUSMAG) which led to a union strike Wednesday. The strike, which paralyzed operations at the American military agency was called by the Philippine Labor Alliance Council (PLAC) on grounds of unfair labor practices and union-busting activities.

Jose Malvar Villegas Jr., Lapiang Manggagawa (LM) secretary-general and counsel for the labor union, said Ople also issued a directive to the NLRC to determine whether a writ of preliminary injunction can be issued as soon as NLRC assumes jurisdiction over the case. PLAC President Jacinto Tamayo said the strike was spurred by the dismissal of all JUSMAG employees for forming a labor union in violation of the Labor Code. It was reportedly the position of the JUSMAG chief, Brig Gen Teddy G. Allen, that the "operational requirement of JUSMAG necessitates a non-union work force in order to eliminate possible interference with its critical activities."

Pelagio Villegas Jr., LM executive vice president, said Ople's assumption of jurisdiction over the case can set a precedent in settling labor disputes in American bases and facilities. He said that more often than not, Philippine courts "normally shy away, alleging non-jurisdiction on the ground of the alleged provision of the RP [Republic of the Philippines]-U.S. Military Bases Agreement, taking away jurisdiction in cases involving U.S. military personnel in the Philippines." Irritants, he said, may be lessened with the Labor Ministry's assumption over the JUSMAG case and "may set a brighter future on the current deteriorating relationship between the Philippines and the United States."

U.S. BASES ASKED TO MAKE LOCAL PURCHASES

HK021017 Manila BULLETIN TODAY in English 30 Nov 85 p 26

[By PHILIPPINE NEWS AGENCY]

[Text] The Philippine Government has requested the United States to open the doors of its military bases in the country to local products.

The request was coursed through the Advisory and Administrative Support Staff Office (ASSO), a special body that conducts regular dialogues with an American counterpart panel on matters concerning the implementation of the RP-U.S. military bases agreement.

Commissioner Gonzalo Santos Jr. of the Securities and Exchange Commission (SEC), one of the ASSO advisors, said they have specifically requested the base commanders to purchase their supplies and equipment whenever possible from local companies. The request also stated that if such supplies are not available from domestic suppliers, they could be purchased from the local branches or subsidiaries of multinationals. This request, if granted, would result in enormous economic benefits for the country, Santos said. For instance, the purchases, if paid in dollars, would contribute to the foreign exchange earnings of the country, Santos explained. This would also spur a new demand for local products and consequently generate employment for Filipinos, he said.

The problem, however, is the strict requirement for quality and quantity. Nevertheless, Santos said, the two American military bases have actually started buying from local sources although he could not cite specific instances wherein the U.S. facilities actually bought from the local market.

OLONGAPO MAYOR URGES HIGHER U.S. BASES RENTAL

HK021031 Manila BULLETIN TODAY in English 1 Dec 85 p 8

[By J. Lacuarta]

[Text] Angeles City -- Olongapo City Mayor Richard Gordon said here that the Philippine Government should demand maximum benefits, especially in rental payment, from the American Government for use of U.S. military facilities in the country. Gordon also sought the inclusion of Angeles and Olongapo City officials in the Philippine panel that negotiates the RP-U.S. Military Bases Agreement with the American panel.

Gordon was guest speaker at the weekly Monday meeting of Rotary Club of Angeles North here headed by Turing Arceo. The mayor said it is high time now that the RP panel should negotiate the bases agreement to the maximum and demand from the American Government a much higher rental payment for use of Clark Air Base here and Subic Bay Naval Base in Olongapo.

Gordon lamented that while other countries have been receiving billions of dollars in rental payments for hosting U.S. military bases, the country is to receive \$900 million only in five years ending 1989 for use of Clark and Subic, two of the biggest American military installations outside the U.S. mainland. He cited as an example the case of Turkey, which, he said, has been receiving about \$1 billion annually for housing a U.S. military facility.

Gordon said that Philippines is more entitled to receive more benefits from the Americans because "no other country in the world, which hosts U.S. military bases, faces more dangers and external threat than the Philippines." The country, Gordon said, is even more risking its security because Clark and Subic have been securing raw materials, including oil, being transported to Japan, Taiwan, and Singapore via the Malacca Strait, which are under the area of responsibility of the two bases. This may be the reason why the country has become one of the targets of the Soviet Union military build-up in Cam Ranh Bay in Kampuchea [as published] because of its security importance in the region. Cam Ranh Bay is located about 70 minutes flying time from the Philippines, Gordon said.

COLUMNIST ADVOCATES USE OF SHIPYARD BY U.S., USSR

HK290923 Manila Mr & Ms (Special Edition) in English 22-28 Nov 85 p 22, 23

"The Last Word" column by Maximo V. Soliven "Always Be Nice to Ladies Because Sometimes They Bite"]

[Excerpt] Perhaps I spoke too soon about the dangers of having the Soviets utilize the facilities of the Philippine Shipyard and Engineering Corporation (PHILSECO) which are situated only 14 kilometers away from the U.S. naval base at Subic. The Russians have other means of "spying" on the Yanks - and, besides (crassly materialistic though it may sound) PHILSECO needs the business -- or it will die. This shipyard, capable of taking vessels of 300,000 tons D.W.T. [deadweight tons] is a joint venture of the Japanese firm, KAWASAKI, and the Philippines, with about 60 percent Filipino participation. The shipyard has now about 18 full-time Japanese officers and personnel, plus 400 highly-trained Filipino technicians who were trained both in Japan and at the U.S. Navy SRF in Subic itself. What's going to happen to these experts if no business comes their way? The Americans are not giving PHILSECO any hefty contracts, although they recently awarded the Philippine National Oil Company (PNOC) Marine Shipyard in Bauan, Batangas, a P2.5 million repair job on a floating dry-dock just after the PNOC had serviced and repaired its first Soviet ship, the M/V [motor vessel] "Argun", a 7,000-ton deadweight general cargo vessel. If it takes Cold War competition to bring Yankee business here on an am-an-toman basis, perhaps we shouldn't shut out the Russians. No less than 11 Soviet vessels dock in the Philippines every month -- handled by the Filipino-Soviet Shipping Corp. (FilSov) under the chairmanship of Danding Cojuangco (does the name sound familiar?)... When the First Lady was in Moscow, the Russians said that they could give many of our 100 idle shipyards (big and small) about U.S. \$200 million worth of contracts, in the long run, for the repair and overhauling of USSR freighters and cargo vessels. The National Intelligence Security Authority (NISA), of course, is appalled at the prospect of more Soviet traffic, but -- as someone in the government sighed -- beggars can't be choosers... It's only the Japanese who can get PHILSECO off the hook. When the Japanese Overseas Economic Cooperation Fund (OECF) lent the corporation the major portion of its P1.5 billion investment, it attached an important caveat. The OECF stipulated that the shipyard should be put to "no military purposes". The Japanese, sticklers about adhering to this rule, will not permit any military vessels to be repaired or dry-docked. "If it's painted gray," one officer quipped, "They won't touch it." This condition is grossly unfair. In their homeland, Japanese shipyards, like the famous SASEBO in the Inland Sea, have no qualms about servicing and repairing U.S. Navy vessels (a big money-earner for Japanese yards) -- but they've imposed this onerous condition on us here. Perhaps a review of policy and a new deal is in order. Subic can't give PHILSECO any Navy contracts otherwise. As it is, the Subic Naval Base has just purchased a \$22.6 million dry-dock and repair facility in Bremen, West Germany, and this will be towed to Subic all the way from Europe in early March 1986 -- while one of the best dry-docks in the world, PHILSECO, sits idle just a few kilometers away. It's tragic.

OPPOSITION MP URGES U.S. STATEHOOD FOR PHILIPPINES

HK030835 Davao City PEOPLE'S DAILY FORUM in English 15 Nov 85 pp 7, 8

[Text] An opposition member of parliament has endorsed the proposal to make the Philippines a new state of the American Union saying that it is "the ultimate recourse left for us to preserve democracy in the island and to save the republic from communist rule." MP Roy Padilla, opposition, Camarines Norte said "the next thing that the Filipino people should look forward to is statehood if all efforts against communist insurgency failed."

In a recent speech before the United Walkers Club, Padilla cited the example of Hawaii which, he said sought annexation as a state of the United States when communism engulfed the territory and its labor unions were dominated by communists. At that time in Hawaiian history, Padilla said, the international longshoremen's and warehousemen's union which controlled shipping, loading and unloading of sugar and pineapples was absolutely in the arms of the communists.

"International communism, through its firm grip in the labor unions and its influence on the political structure, can completely dominate the economic life of these islands (Philippines) and since the allegiance of the communists is to Moscow rather than to the United States, this power is likely to be used for political ends rather than for the attainment of economic goals," he stressed.

Padilla said he was planning to file a resolution at the Batasang Pambansa calling for a nationwide plebiscite to determine the wishes of the Filipino people on the issue of statehood.

UN GROUP CALLS POPULATION PROGRAM INEFFECTIVE

HK291028 Quezon City ANG PAHAYAGANG MALAYA in English 22 Nov 85 p 2

[By Desiree Carlos]

[Text] A United Nations Fund for Population Activities official said yesterday the Philippines is one of the developing countries that has failed in its population control program. This is because leaders have failed to consult the people on the policies on birth control and their implementation, Stirling Scruggs told the 8th annual Population Welfare Congress. He said the results of the failure of the population control program is shown by the lack of balance between population growth and economic development. Population in the Philippines is at present 17th largest in the world and 7th largest in Asia. By 2025, the country is expected to be the 15th most populous. A total of 176 babies are born every hour in the Philippines, placing the country's annual growth rate at 2.5 in 1980, or greater than the world's growth rate of 1.77.

"One frequent mistake of national governments is that they tend to dictate to the local government how to implement programs and policies without the least consultation with officials of these lower governments," said Scruggs. Scruggs added that people must have access to adequate nutrition, health, education and employment opportunities in order for any population control program to succeed.

PHILIPPINES, INDONESIA SIGN BORDER AGREEMENT

HK300846 Manila BUSINESS DAY in English 29 Nov 85 p 15

[Text] The 10th border committee agreement between the Philippines and Indonesia was signed yesterday at the Mansion House inside the Southern Command headquarters, Zamboanga City. The agreement covers border crossing arrangement by nationals of both countries and joint sea border patrol by naval units to curb gunrunning, illegal crossing, piracy or the transport of explosives by lawless elements. Forged in Menado, Indonesia, on March 11, 1975, the agreement undergoes modifications each year. The Indonesians will proceed to Davao City today where Indonesia maintains a consulate. The delegation flies to Indonesia tomorrow.

MARCOS PRAISES PERU'S 'COURAGEOUS ACT' ON DEBT

HK300457 Quezon City Maharlika Broadcasting System in English 0400 GMT 30 Nov 85

[Excerpts] The Philippines will send observers to an international meeting on the debt problems of Third World countries. That meeting, scheduled in March next year, is being organized by Latin American countries. The Philippine decision to send observers to the meeting in March was relayed by President Marcos to a Latin American delegation which called on him. Joel Barotilla reports:

[Begin recording] The president made the appeal [as heard] after receiving at Malacanang General Edgardo Mercado Jaerin of Peru. Peru has threatened to limit its debt payment for the next 12 months to only 10 percent of the country's export earnings. The president remarked that this courageous act of Peru has opened the minds of the rest of the world to the fact that if they burn the house down, they too will burn because then they will lose their markets [words indistinct]. [end recording]

The Philippines has just about wrapped up the restructuring of its official debts with members of the so-called Paris Club. Under an agreement between the Philippines and the club members, debts will have to be rescheduled over a period of 10 years. Twenty-two members of the Paris Club have extended loans to the Philippines. The latest to agree to reschedule its loans to the Philippines is Switzerland.

OVERSEAS CONTRACT WORKFORCE SHOWS GROWTH

HK010328 Manila BULLETIN TODAY in English 29 Nov 85 p 9

[Text] A total of 30,531 overseas contract workers were processed in October, representing a growth rate of 4.87 percent over the last month's figure, even as Saudi Arabia tightened its policy to regulate the inflow of foreign labor. The Philippine Overseas Employment Administration (POEA) said that of the total 86.13 percent were land-based while 13.87 percent were seafarers. Among the newly hired land-based workers, 17.15 percent were hired through construction contractors, 21.41 through nonconstruction agencies, and 5.45 percent through government placement.

The cumulative total of overseas contract workers hired from January to October was 328,111 with land-based workers accounting for 87.19 percent and sea-based workers comprising 12.81 percent. During the month, the Middle East remained the primary market for Filipino manpower, absorbing 20,420 of the total land-based workers, equivalent to 77.66 percent. Asian countries employed 4,667 or 17.5 percent of the total.

Meanwhile, the POEA reported that Saudi Arabia, the biggest importer of Filipino manpower, has tightened its rules in the issuance of visas to foreign workers, including Filipinos. This was in line with its policy to regulate the inflow of foreign labor into the country and increase employment opportunities for Saudi nationals.

MARCOS NAMES MEMBERS OF ARMED FORCES REVAMP BOARD

HK291343 Manila PHILIPPINES DAILY EXPRESS in English 29 Nov 85 p 7

[Text] Two former AFP [Armed Forces of the Philippines] chiefs of staff and 15 other generals have been named to the board of generals and colonels created by President Marcos to revamp the AFP.

Only three of the members of the board are on extended tours of duty since generals and flag officers on extended service are among the subjects of the deliberation of the board.

They are Gen Fabian Ver, AFP chief of staff (on leave), Lt Gen Fidel V. Ramos, acting chief of staff, and Comm Serapio C. Martillano, deputy chief of staff and representative of the AFP General Headquarters staff to the board.

Except for three, senior officers on active duty whose upward movements may be affected by the board's deliberations were excluded from the board.

The board will tackle the retirement of generals and flag officers on extended service, the future leadership of the AFP, the effectiveness of the intelligence service, and strengthening the civil relations activities of the AFP, and improvement of AFP operational effectiveness, morals, and discipline, and regaining credibility of the AFP.

Members of the board are Gen Ernesto S. Mata, retired chief of staff; Lt Gen Manuel F. Cabal, retired chief of staff; Ver; Ramos; Martillano; Brig Gen Angel L. Sadang, army representative; Brig Gen Meliton D. Goyena, PC [Philippine Constabulary] representative; Brig Gen Pompeyo P. Vasquez, Air Force representative; Comm Tagumpay R. Jardiniano, Navy representative; Brig Gen Felicisimo R. Amano, commandant of the AFP command and general staff college; Brig Gen Mariano Ordonez, president, Association of Generals and Flag Officers; Brig Gen Reynaldo Mendoza, former superintendent of the Philippine Military Academy [PMA]; Brig Gen Jose Ma. Zumel, PMA superintendent; Col Eugenio Ocampo, commandant, Metropolitan Citizen's Military Training Command; Col Cesar Go, vice president of the National Defense College of the Philippines and First Captain of PMA Class 60; Col Alexander M. Aguirre, president of PMA Class '61; and Col Rodolfo Biazon, a combat unit commander.

General officers on extended tours of duty have been ordered by the president to submit a list of their current operations and their most promising replacements or understudies.

Since October 25, 1984, 12 generals and flag officers on extended tours of duty have been retired, the latest being Brig Gen Alfredo Olano, who retired Nov 12.

VERITAS INTERVIEWS ARMED FORCES REFORMISTS

HK291020 Quezon City VERITAS in English 24 Nov 85 p 18

[Capitalized passages published in boldface]

[Text] The reform movement surfaced during the military's lowest season: bad image, low morale, inefficiency. Recognizing their own sorry state, the reformists vowed to effect changes and bring back time-honored traditions that once made a soldier proud of his uniform.

At once the public saw in the movement a ray of hope in an establishment it has learned to distrust. The reformists were pushed to take on a role: "the light at the end of the tunnel," according to their own words. It was a role they neither wanted nor expected.

Before a panel of VERITAS [V] staffers (Red Batario, Ed Pacheco, Rina Jimenez-David, Chit Macapagal) and columnist Luis D. Beltran, a few leaders of the movement candidly spoke about the public's expectations of them and their own realistic assessment of the movement's value.

V: IT IS POSSIBLE FOR A COUP TO TAKE PLACE HERE?

RAM [Reform of Army Movement]: There is no safe way for us to answer that question. If we say yes then you will conclude that we are planning something. If we say no then you will think that we have already studied the problem and considered the possibility of a coup.

But okay. Just to answer a rhetorical question. Possible but remote. Of course, why not? We are talking soldiers and soldiers have arms.

V: DO YOU THINK THAT'S THE ONLY ELEMENT NECESSARY FOR A COUP, A SOLDIER AND HIS GUN?

RAM: No. Political awareness of the soldier has a lot to do with his actions: awareness to stick by his role as a soldier or awareness to take action in the face of, perhaps, pressure from other sectors of society.

It is this latter case which we are resisting. This is what happened in most poor countries. More changes of government have been effected through military intervention rather than through peaceful means. But it is going to have a chain effect. Today this soldier will get this wild idea to take over the government. Tomorrow it will be another soldier. Name me a country where the military intervened and then announced that it will only stay in power temporarily.

Taking over (power) is (not as difficult as maintaining it.)

V: IF YOU HEAR OF ANYBODY PLOTTING A COUP WHAT WILL YOU DO?

RAM: Remember that the AFP [Armed Forces of the Philippines] as a whole has been organized as a counter coup (group.) Any attempt to take over the government will be fought by us; not as reformists but as members of the Armed Forces.

V: WILL THERE BE A ROLE FOR THE ARMED FORCES IN CASE THERE IS A CHANGE IN THE TYPE OF OUR GOVERNMENT?

RAM I: It will still be the Armed Forces. If the public would like us to stay as its Armed Forces, we could probably be the Red Army.

RAM II: I probably will not accept that (become a Red Army). You see we have a mission to protect the state from such forces who would like to take control. Added here are the values that we grew up with like being godfearing and wanting those basic liberties of life, liberty and the pursuit of happiness. But if such a situation comes about, the decision will probably be done on an individual basis. The problem here is gauging what the people really like. Do they really like communism or are they just being manipulated by a few?

RAM III: We cannot assume that if and when the communists take over, they would assume the Marxist form. In the first place, the movement here is homegrown. If they take the Marxist form, the AFP is definitely going to be their enemy. From our mother's milk we have been taught that such a form of communism is bad. But a homegrown type might be different. For if this is what the people like, what soldier can really stand to fight against its own people which it is supposed to serve? We should read what society really wants.

V: THE PROBLEM WITH THE REFORMISTS IS THAT THE PUBLIC EXPECTS TOO MUCH FROM YOU.

RAM: That is why when we talk to people we often start by describing what we are not. For some of them it seems we are the light at the end of the tunnel. This is what you may call as a situation where wishful thought precedes the fact. Actually we did not expect this kind of public reaction.

But the public should make its choice as to what it wants to do with its government. The military only follows. It should not be the other way around. As it is, it appears to us we are being forced to make the choice for them.

What we are saying is that we have definite boundaries. But the public is asking us to go beyond them because we are needed instead of looking at us as working within those boundaries.

V: WELL WHAT OPTION HAVE YOU OFFERED FOR THE FUTURE WHEN PERSONALITIES LIKE VER AND RAMOS AND ENRILE ARE GONE?

RAM: I will answer that indirectly. Perhaps what you have seen of the reformists are old faces like ours. But really the average reformist is young, between 28 and 35 years old. The groundswell is by the youth. We must ride on. These young people have about 25 to 30 more years in the service. Without being impolite to anybody, we are saying that the reform movement will outlive all temporary leadership problems. Our outlook is long-range and this is what is so frustrating to so many sectors. They tell us we're too long-range (in our objectives) and that we're running out of time.

PAPER NOTES MANPOWER NEEDS OF AIR FORCE

HK021541 Manila BULLETIN TODAY in English 2 Dec 85 p 6

[Editorial: "PAF Manpower"]

[Text] For the Air Force, manpower has a special meaning. In this branch of the Armed Forces, manpower inadequacy can spell instant death, as everyone knows. It is unlike the manpower requirements of the other branches. For that reason, we are interested in the remarks given by Maj. Gen. Vicente M. Piccio.

It takes a lot of money and training to develop technicians who maintain the various kinds of aircraft in flying condition. It also takes a lot of training to develop good pilots and crew and the people who maintain the installations. Without these skills, there is no air force.

As in some other countries, the Air Force is a training ground for pilots and technicians for private industry. Even as the Air Force has to continuously train new men, it has had to bow to the inevitability of parting with its skilled manpower who leave the service in order to earn more money in private corporations.

Gen. Piccio said technicians who leave the service are not a loss to the country, for if they work abroad they remit their earnings back to home. But be that as it may, resignations are a loss to the Air Force. The value of the Air Force as a training ground for skilled manpower should be given due recognition. That is, the Air Force should not be regarded merely as a branch of the AFP [Armed Forces of the Philippines], and only in that way can people fully appraise the merits of the Air Force. Because of the fast turnover of personnel, the government should pay closer attention to the operational capacity of the Air Force. It may be advisable to give additional incentives to the personnel in order that they can perform more efficiently.

MARCOS DISCUSSES INCREASED BUDGETARY DEFICIT

HK290935 Manila BULLETIN TODAY in English 28 Nov 85 pp 1, 14

[By Willie Ng]

[Text] President Marcos said yesterday that government now has "more leeway in the public spending program with the relaxation of the level of the budget deficit from P6.2 billion to P13 billion for 1985."

This increased deficit, requested by the government to give a boost to business activity, was approved by the International Monetary Fund (IMF). The original deficit ceiling was P6.2 billion, 0.9 percent of the gross national product. The Philippines asked for a deficit of 1.4 percent or P8.7 billion. Now, it seems the IMF has approved a deficit ceiling of P13 billion.

A higher debt ceiling means that government could engage in "pump priming activities" such as public construction to stimulate the economy. The IMF conditions on fiscal and monetary targets have so constricted economic activity that business and industry have continued to mark time. President Marcos said that with this increased debt ceiling, the government can now expand priority programs such as palay buying by the National Food Authority. The government support price for palay is P3.50 a kilo. With expanded palay-buying, farmers can get better prices for their rice crops. A bumper crop is expected.

The government can also pay meritorious claims of works of public works contractors for price escalations. This will stimulate the infrastructure program, he said.

The president discussed these developments during a farewell call on him by Spencer Davis, former ASSOCIATED PRESS bureau chief in Manila.

Mr Marcos cited the substantial growth of investments in small and medium-scale industries. He declared that the average Filipino businessman is basically undiscouraged by the economic crisis. There has been a 71 percent increase in the volume of small and medium investments among businessmen. "We have a little more leeway when our local entrepreneurs continue to invest their money in productive activities," he said. The growing investments, he said, are a solid sign of confidence in the economy, he said. And as the economic recovery gains momentum, the growth of investments will keep its upward swing.

He said the Philippines is the "only country that has succeeded out of about 35 which are seeking help from the International Monetary Fund in lowering inflation." Inflation rate is down from the 62 percent of one year ago to ten percent today, he said while interest rates are down from 42 percent last year to about 17 percent.

VIRATA COMMENTS ON ADDITIONAL BUDGET DEFICIT LEEWAY

HK300930 Manila BUSINESS DAY in English 29 Nov 85 p 2

[Text] The government will have difficulties in completely using up the additional budget deficit leeway recently granted by the International Monetary Fund (IMF) since there is very little time left before the year ends.

Prime Minister Cesar Virata yesterday said however that the government will try to approximate as near as possible the new P13-billion deficit ceiling approved by the Fund. The previous ceiling was P6.2 billion. He said part of the additional budget deficit granted will be used by the national government to pay for its arrearages with contractors so they could resume work on pending infrastructure projects and speed up construction activities. He also disclosed that the President has approved a number of projects that have been put on hold earlier due to the budget constraint. He said most of these projects are funded by the Asian Development Bank (ADB) and the Overseas Economic Cooperation Fund (OECF) of Japan.

Economic Planning Minister Vicente B. Valdepenas Jr. told BUSINESS DAY that the Cabinet standing committee has already approved some P630 million worth of new projects that will be financed out of the additional budgetary leeway. At the same time, Valdepenas said the government will accelerate the buying of rice and corn. Already, some P800 million has been released to the National Food Authority (NFA) for this purpose.

Virata said the additional spendings on construction are expected to give the sector a much needed boost. He said the construction industry has been hit hard by the budget constraint which partly caused it to decline by some 25 percent to 28 percent this year. The prime minister however expressed concern over the effects of the two scheduled elections on the construction activities set for the first half of next year. He said the first semester normally is the period when a lot of the construction projects get underway, but with the elections there will be a construction ban during the 60-day period prior to election day.

Virata said the government will also try to accelerate the issuance of additional mortgage certificates. He said there is at the moment a P500-million backlog in mortgage takeouts. He said the national government has approved the release of P200 million to raise funds for the housing industry in order to reduce the backlog in mortgage takeouts. Virata said that hopefully with renewed construction activity, the sector's income will improve and its demand for raw materials increase so the industrial sector can start recovering from its current slump. Virata said there are already visible signs of recovery, with the third quarter figures showing an increase in the importation of raw materials by the industrial sector.

COLUMNIST VIEWS INCREASED BUDGETARY DEFICIT

HK021047 Manila METRO MANILA TIMES in English 30 Nov 85 p 4

["Reporter at Large" column by Maio P. Chanco: "Do We Really Have More Money Than We Can Spend?"]

[Excerpt] Prime Minister Cesar Virata is quoted as having expressed concern that the increased budgetary deficit, as authorized by the International Monetary Fund, may not be fully used up by the country. He should worry.

With two elections on line, coupled with the penchant of many ministers to spend their money all in one place, under-spending should be the least of the good P.M.'s worries. Lacking the energy to spend money is just not in our genes. As a developing country endowed with many of the vices, and an absolute minimum of the virtues, of our kindly creditors overseas, the Prime Minister ought to let his mind rest on this matter. It is of no account. Whatever we fail to spend of the additional authorized overdraft so generously allowed by the IMF will be taken care of in due time. What the Prime Minister should worry about is how the overdraft is to be repaid.

That part of the borrowing game carries overtones which continuously elude our best minds. Sooner or later, our borrowing tactics come home to roost and we discover, usually when it is too late, that our creditors will be exacting blood money for their favors. Unlike the United States, whose political and economic clout allow it to sustain unlimited budgetary and trade deficits, the Philippines moves in a straitjacket. So closely monitored are its entire income-expense accounts one is tempted to suggest that, for reasons of economy, we should dismantle our entire finance bureaucracy and let the IMF carry that overhead. Since they complain constantly about our inability to handle our own funds, why don't we let them try handling them for a change?

We really have no cause for worry. Both the opposition, and thoughtful men whose calculators work better than those used at the Ministry of Human Settlements, agree: while the PM worries about our inability to use up the increased overdraft authorized by the IMF, the nation should start trimming its excess fat. One of their main targets is the Metro Manila Commission. For all the 20 percent tong it exacts from Metro Manila's 13 towns and cities, it has not been able to do much to help the region. Its hiring of so called "coordinators" to act as liaison representatives between the cities and the Metro Manila Commission has been criticized. And for all that it may have failed to do for the citizens living in the national heartlands, it has also delivered their votes over to the political opposition.

All these premises considered, it is not really surprising that the PM, accustomed as he may have become from many brushes with bureaucratic overspending, should express alarm over the wholly unprecedented spectacle of a budgetary deficit not being spent to the bone. Such things not only cause raised eyebrows, but they make the Finance Ministry, to say nothing of the IMF, look silly. Both parties should not waste any time getting together to see how this bit of mischief can be corrected. If we really have no uses for the entire authorized deficit, we should say so, and either return the unspent money or devote it to a worthy cause, like the acquisition of truly *TRANSPARENT* (not *TRANSLUCENT*) [words in all capitals published in italics] ballot boxes. We may eventually discover we shall have no use for the ballot boxes, should the Supreme Court decide that "snap" elections are not legal. But we shall at least have 25 million transparent ballot boxes in our national inventory to demonstrate to the IMF -- and all our creditors around the world -- that whenever we ask them to lend us money, we mean to spend every single centavo of it.

PHILIPPINES SET TO CANCEL INTERNATIONAL LOANS

HK290827 Manila BUSINESS DAY in English 28 Nov 85 p 2

[By Conrado R. Banal III]

[Text] As the Central Bank [CB] tries to hasten the release of some \$250 million in fresh loans from foreign banks, the government is set to cancel some \$250 million in credit lines from the World Bank and Asian Development Bank. (ADB).

Such a situation exemplified what a banker called a "twisted" setup in the utilization of foreign funds which foreign creditors are forcing on the country.

With the economy attempting to stage a recovery after about two years in the doldrums, some bankers believe the country needs long-term, cheap funds from abroad to finance increased domestic production -- such as those from the World Bank and ADB which the government intends to cancel. In contrast, the fresh loans from foreign banks will not go to productive ventures. The CB will use the new loans to update interest payments on the country's loans from foreign banks, in effect borrowing from these banks to pay them.

The \$250-million loan from those banks -- the second drawing from the \$925-million new money included in the financial restructuring package for the Philippines -- may come early next year. CB Governor Jose B. Fernandez Jr. disclosed that the signing of the rescheduling agreement on 50 percent of the public sector's loans from foreign banks is scheduled for January next year. This signing is a condition for the release of the \$250-million loan from the foreign banks. The government, on the other hand, is starting to cancel the loans from the World Bank and ADB, according to Prime Minister Cesar Virata.

The two multilateral financial institutions gave the loans about three years ago to finance specific projects of the government and lending programs coursed through local financial institutions. The National Economic and Development Authority (NFDA) recommended the cancellation to Virata, pointing out that the loans have been idle because the government has failed to provide counterpart funding for the projects that these loans were meant to finance. The government meanwhile is paying millions of dollars in yearly commitment fees for the loans.

Virata said the government will cancel the loans "one by one," depending on the priority of the projects in the government's economic development program. The government's inability to pursue these projects is the direct result of the imposition by the International Monetary Fund (IMF) of a ceiling on government spendings that its revenues cannot cover -- the budget deficit. As Virata pointed out, the government has been trying to convince the IMF to allow more leeway in the budget deficit ceiling so the government can spend for development projects.

CORRECTION TO LAUREL, OTHERS COMMENT ON VER ACQUITTAL

The following correction pertains to the item subheaded "Laurel, Others Comment," published in the 2 December Asia and Pacific DAILY REPORT, page P 7, third paragraph, lines two and three:

...was delivered, while prominent lawyers denounced the finding as typical under Mr Marcos' 20-year-old government. (supplying dropped passage)

END OF

FICHE

DATE FILMED

05 DEC 85

